

THE WALL STREET JOURNAL.

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VOL. CL. NO. 7

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NEW YORK, WEDNESDAY, JULY 10, 1957

Entered as Second Class Matter at the Post Office, New York, N. Y.

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Inflation Irony

Voluntary Price Freeze Thaws in U.K. as State Okays Coal, Rail Hikes

Nationalized Industries Cite Cost Rise; Private Firms Quickly Follow the Lead

The Difference a Year Makes

By FRANK K. LINKE
Staff Reporter of The Wall Street Journal

LONDON—A year-long experiment in suppressing inflation is coming to an ironic end here in Britain.

The situation has particular interest for Americans in view of President Eisenhower's recent request that business take "statesmanship-like action" and refrain from boosting prices, a request followed in a few days by increased steel prices.

The British, trying the same strategy, did somewhat better than Ike. A year ago the government asked for, and got, a voluntary but largely effective price freeze. There were even a few lowered price tags, although labor costs continued to creep upward.

But now the price freeze is cracking apart—largely under the blows of the government's own nationalized coal and railroad industries.

Increasing Industry's Costs

The British government has just permitted the state-controlled National Coal Board, which runs the nation's mines, to boost prices at the pit by a tidy 8%. That will add the equivalent of \$12 million a year to British industry's production costs as well as increasing household bills for gas and electricity. The nationalized railroads will hike freight charges 10% on August 1, a move figured to raise industry's hauling bill about \$42 million a year.

Private industry's reaction was swift—and predictable.

The industry-supported Cement Makers Federation has just boosted prices almost a dollar a ton. "Rising costs, including the higher price of coal, makes an increase inevitable," intones J. A. E. Reiss, chairman of the Associated Portland Cement Manufacturers, a private concern that a year ago joined other cement producers in agreeing to peg prices for twelve months.

End of the Price Plateau

Imperial Chemical Industries, Britain's largest industrial concern, last July froze prices on a wide range of its products. But in the future, says a company spokesman, "prices will be adjusted up or down as demanded by cost and market conditions."

The increase in coal prices and the new freight charge hike would seem to mark the end of the price plateau," warns an official of the Association of British Chambers of Commerce. "Taken together these two key costs must result in higher prices for many commodities."

And, paradoxically, some other state-run enterprises are going even further. They're so jittery over inflation that they're clamoring to hoist prices in anticipation of rising costs. The state-operated London Transport Board, for instance, is pressing for higher fares on buses, underground trains and some surface railroads "to budget for a big surplus to act as a cushion against future increases in costs."

This move to fight inflation with inflation has been roundly scored by the London County Council, another governing group. "If every concern anticipated the next inflationary rise by an increased budget the inflationary spiral would work even quicker than it does," observes a Council official.

The Reasons: Higher Costs

Why has the government cracked the price freeze with its own coal and freight increases? The reason, a Coal Board official says ironically, is higher costs, plus a desire to finance capital spending out of profits. (President Eisenhower, in his hold-the-price request, seemingly gave his blessing to price boosts needed to pay for expansion. Steel companies have contended that present prices still are too low to meet expansion costs but this hasn't stilled Congressional and private critics of their move.)

It's much the same higher cost story with British railroads. Since the last round of freight charge fatten in April of 1956, labor and raw material costs have risen by the equivalent of some \$12 million a year, according to the British Transport Commission.

Private businessmen haven't been much impressed with these explanations. "Nothing can justify a (coal) price increase which will immediately and inevitably raise the price of almost everything in the country," states C. S. Garland, president of the National Union of Manufacturers. "It's no use settling wage claims with talk of price stability and then making the one decision which is a direct incentive to further inflation."

Some Prices Were Cut

It was the National Coal Board, along with other state-run industries—transport, electricity and gas—that took the lead a year ago to battle inflation and the rising cost of living by pegging prices. A large segment of private industry quickly fell in line and agreed not to boost prices for as long as twelve months. Some manufacturers even cut prices. A big construction firm in the industrial Midland region lowered the cost of its houses by 3%. General Electric pared the prices of some of its refrigerators and a number of furniture and clothing makers trimmed their price tags.

At the same time the government moved against a dangerous inflationary spiral by putting more teeth in its credit restraints. The philosophy behind the whole program, says one official, was that "if the rise in prices could be halted, the whole climate of industrial wage boosts at regular intervals would be eased and inflationary pressures reduced."

The British government's anti-inflation plans were severely jolted by the ill-fated Anglo-French-Israeli invasion of Egypt. This blocked the Suez Canal, thus increasing shipping costs and cut off Mid-East oil supplies.

Please Turn to Page 7, Column 2

What's News—**Business and Finance**

NATURAL GAS price regulation by the Government would be sharply curtailed under a bill which squeaked through the House Commerce Committee—15 to 13. The tight committee vote, which shattered party lines, found lawmakers from southern and western states pitted against those from gas using areas of the North. The legislation faces a similarly close contest when it reaches the House floor. Opponents contend it would jack up the cost of gas to consumers and result in "windfall" profits for large producers.

Steel price increases recently posted by leading producers will spur inflation, argued Edwin G. Nourse, former chairman of the Council of Economic Advisors. He appeared as the Senate Anti-Monopoly subcommittee began hearings on "administered prices." Chairman Kefauver (D., Tenn.) said such prices are fixed by concerted industry action rather than supply and demand. It was obvious from the outset that the steel industry was a primary target.

Secretary Humphrey said he would oppose putting U.S. currency back on the full gold standard until "world conditions some day are stabilized." The Treasury chief testified as the Senate Finance Committee continued its inquiry into Government fiscal policies. He defended the present currency setup against attacks by Senator Malone (R., Nev.), saying he'd adhere to the existing system even if he had authority to change it.

Tax revision measures that would cut Government revenues by more than \$100 million were ruled out of order by the House Ways and Means Committee. It issued this decree in clearing the decks for action on a stalled tax and tariff measures. A subcommittee will meet tomorrow to consider reducing the 20% cabaret tax.

Zinc stocks at domestic smelters climbed in June to the highest level since November, 1954. Shipments to consumers were the smallest in a year. These developments pointed to continued lag in the zinc trade, which has been suffering from overproduction of the metal and slow consumer demand. Under industry prodding, the House Ways and Means Committee slated hearings early next month on proposals to put excise levies on lead and zinc imports. But committee members said chances for action on the measure this session are slim.

Bankers believe business conditions will continue favorable the rest of the year. Practically unanimously they expect "a period of stable, high activity, with employment, income and demand for credit remaining much as they are," according to a nationwide survey by the American Bankers Association. Pollsters said "the extraordinary thing about the current picture is the almost total absence of exceptions to the hopeful consensus."

Republic Steel Corp., the industry's third largest producer, will report second quarter profits slightly below the \$1.71 a common share netted in the second quarter last year. Due to record results in the first quarter this year, however, the company is expected to show first half net ahead of the \$3.33 a share earned in the like 1956 period.

Company Notes
Canadian National Railways' will lay off 600 men across the Dominion because of a 12% decrease in traffic.

Douglas Aircraft—Was awarded a \$38.8 million Air Force contract for production of the C-133 cargo plane.

W. R. Grace & Co.—First half net fell slightly below the \$2.37 a share earned in the like 1956 period, an official said.

International Paper Co.—Second quarter sales declined to around \$240 million, from nearly \$250 million a year earlier. Net is indicated at \$1.50 a share, against \$1.96 in the second quarter of 1956.

Luken Steel Co.—Netted \$6.27 a common share on sales of \$61.8 million in the 24 weeks ended June 15. In the like 1956 period, volume amounted to \$50.9 million and profits equaled \$3.71 a share, adjusted to reflect last January's three-for-one split.

Oil Mathieson Chemical Corp.—Has started shipments of new "high energy fuels" to the Air Force. The fuels are made from chemical compounds of the mineral boron—derived from borax.

Markets—
Stocks—Volume 2,450,000 shares. Dow-Jones Industrials 518.37, off 0.39%; rails 149.92, up 0.41%; utilities 71.45, off 0.36%. London—Financial Times common share index 207.6, up 0.6.

Bonds—Volume \$4,100,000. Dow-Jones 40 bonds 86.95, off 0.05%; high grade rails 87.27, up 0.06; speculative rails 85.02, off 0.19; utilities 86.26, off 0.08; industrials 89.24, unchanged.

Commodities—Dow-Jones futures index 161.1, off 0.59; spot index 164.91, up 0.16.

Earnings—
—Net Income—Per Com. Shs.

American Eagle Corp. 1957 1956 1957 1956
\$57.725 \$51.696.812 \$4.83 \$1.25

Outsider Corp. 31.25 31.25 31.25 31.25

Walker-Gordonham 4,342,994 4,451,773 1.50 1.61

(Today's Index on Page 2)

World-Wide

KHURSHCHEV DENOUNCED Soviet leaders, facing Party ouster, as "black sheep." The Communist Party boss told a Zilina, Czechoslovakia, audience: "It's no secret what happened in the Soviet Union recently. We had some black sheep in a good herd. They thought they would take over power, and you know how it ended. We took the black sheep by the tail and threw them out."

Khrushchev and Soviet Premier Bulganin, due in Prague this morning, drew cheers from the Zilina crowd. Accompanying the two leaders is Antonin Novotny, Czech Communist chief, whom Khrushchev praised as "one of the great sons of the Czechoslovak people." He implied Novotny's job is safe "if the party of President Gottwald is with us, and I am convinced it is."

The Russian newspaper *Izvestia*, in a full-page editorial, cleared the way for the Communist Party expulsion of V. M. Molotov, Georgi Malenkov and Lazar Kaganovich. It invoked Lenin's 1921 injunction that in cases involving violation of party discipline, the Central Committee is empowered to use extreme measures, including expulsion from the party.

The editorial left little doubt the Communists would expel the three men, already stripped of their government and party posts. Expulsion amounts to political—and often physical—annihilation.

KNOWLAND INDICATED Eisenhower is receptive to changes in the civil rights bill. The Senate Republican leader said after a White House conference the President hasn't closed the door to "clarifying" amendments. And Knowland added he feels the same way. He said Senate debate may drag on for four to eight weeks—and possibly longer.

Southerners again attacked the measure during debate on Knowland's move to make it the Senate's pending business. Sen. Ervin (D., N. C.) asserted the bill would make the U. S. District Attorney General "dictator of all the Southern states."

In Knoxville, Tenn., an all-white jury of 10 men and two women was completed in the mass contempt trial of 16 defendants in the Clinton integration case. The 19-man battery of defense attorneys dismissed four Negro candidates for the panel.

The House, which voted two months ago to kill the major part of the Administration's farm soil bank, reversed itself and voted to extend the program another year. The chamber accepted a Senate-House compromise authorizing \$500 million in payments to farmers under the acreage reserve section for taking a percentage of surplus croplands out of production. Senate approval appears certain.

The House agreed to permit the Government to barter surplus farm commodities with Communist satellite nations. The chamber, yielding to the Senate and the Administration, accepted the provision as part of a compromise bill extending the Agriculture Trade and Assistance Act another year.

George and Jane Foster Zlatovski, indicted by a Federal grand jury in New York on charges of spying for Russia, claimed France has offered them political asylum. But France denied this, saying the issue hasn't arisen yet. U. S. Attorney Paul W. Williams said bench warrants for the arrest of the couple, now living in Paris, will be forwarded to France, but he stressed France is under no treaty obligation to extradite them.

The French National Assembly approved the European common market treaty and the Euratom treaty for a six-nation nuclear energy pool. The treaties link France, West Germany, Italy, Belgium, the Netherlands and Luxembourg, already partners in a coal-steel pool promoted by France.

An Iranian official said his nation had thwarted a Communist plot to blow up the huge Abadan oil refineries and had arrested a number of Reds. The refineries, former properties of the nationalized Anglo-Iranian Oil Co., are operated jointly by British, American, Dutch and French interests.

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Irael and Syrian forces battled with rifle, machinegun and mortar fire for 10 hours along their upper Jordan River border. Israel said a shepherd was killed and seven of its police injured. Syrians suffered undisclosed casualties. The firing halted after the U. N. issued its fourth cease-fire order.

Radio Moscow said Russia still has hopes of reaching an agreement with the West to end nuclear bomb tests. It added Western powers misinterpreted Soviet rejection of the Moscow plan linking a suspension of tests to a halt in bomb production.

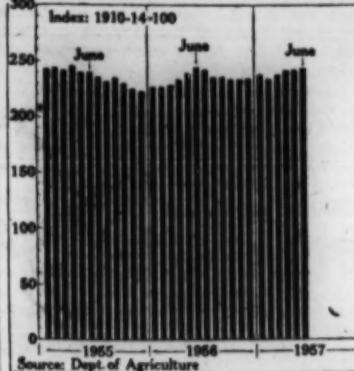
Commerce Secretary Weeks, reiterating that the U. S. will hold fast to its total embargo on trade with Red China, said deals with that nation would be "a gamble with national security." Besides, he told Congress, they probably wouldn't be very profitable.

Eisenhower plans to vacation this summer—if and when he can get away—at the U. S. Naval base in Narragansett Bay near Newport, R. I. Three golf courses are nearby. The White House said the trip depends mainly on when Congress adjourns.

Canadian Prime Minister Diefenbaker announced Queen Elizabeth II will open the new session of Canada's Parliament October 14 on her American tour.

The Senate Foreign Relations Committee recommended creation of an international police force as a permanent U. N. arm.

Please Turn to Page 22, Column 2

Prices of Farm Products**Tax Report****A Special Summary and Forecast of Federal and State Tax Developments**

TAX COURT clarifies rules for the deductibility of premiums on disability insurance.

The tribunal distinguished, in the case of a Michigan doctor, between policies providing reimbursement for general loss of income by an individual, and those that pay certain business overhead expenses incurred during prolonged periods of disability, such as rent, utilities, employees' salaries. The Court said, in *Blaess vs. Commissioner*, that a 1955 Revenue Service ruling properly allows the individual to deduct as business expenses premiums paid on policies which insure payments, up to a specified amount, for these continuing outlays. But it reasoned that premiums on income-loss policies, such as owned by Dr. Blaess, were not business expenses, since such plans would provide reimbursement even if the insured quit his livelihood.

This line of thought reaffirms existing premises of the tax law providing, among other things, that while premiums on health and accident policies are generally not deductible to individuals, benefits from such policies are tax-free, with limitations. Income from the insurance, for the overhead expenses, on the other hand, is taxable.

Also basic in the code, of course, is that premiums paid by employers on health and accident policies for employees are deductible as ordinary and necessary business expenses.

OVERHEAD EXPENSE policy sales may be spurred by the Tax Court decision.

Insurance men say a significant point about the Blaess case is that it backs up the Commissioner's treatment of disability income, when tied to continuing expenses. "A good deal of health business can be sold on the strength of premium deductibility," admits an official of a firm that sells only the loss-of-income plan.

Since the Revenue ruling was issued some two years ago, nearly a score of insurance companies have brought out overhead expense policies for self-employed individuals. The loss-of-income type, however, is still the most widely written, both on an individual and group basis.

TAX RECEIPTS held up better than expected in the fiscal year just ended.

That's the indication from the Treasury's final daily statement for June—the end of the fiscal 1957 year. Official budget results won't be tabulated until later this month. But it appears likely the \$70.8 billion revenue prediction made last January was topped—perhaps by several hundred million dollars.

The fairer tax takes mostly from individuals. The January budget predicted individuals would pay \$35.5 billion in income taxes. Preliminary results show a take of nearly \$38.9 billion. The corporate tax bite was figured at \$21.4 billion; it now looks more like \$21.5 billion. Excise, estate, gift receipts just about match January estimates.

But spending, too, rose above the \$65.9 billion January prediction. That's why Treasury Secretary Humphrey told the Senate Finance Committee recently the budget surplus was only about \$1 billion instead of the \$1.7 billion forecast.

A PORTRAIT OF CHURCHILL, painted by the late Douglas Chandor in advance of a "Big Three" group picture commemorating the Yalta conference, was subject to the lower capital gains tax when sold. The artist had also done a "study" portrait of the late President Roosevelt but the group project fell through when Marshal Stalin refused to sit. A few years later, the painter sold the Churchill picture to Bernard Baruch for \$25,000. The Tax Court said the sale was taxable as a capital gain, and not as income, since the picture had not been painted with the idea of being sold.

A SWIMMING POOL for children was built by a specially formed neighborhood club in a Maryland town after efforts failed to have a public pool constructed. A Federal Court held that the 20% Federal dues tax did not apply to membership fees paid to the club because it was not really a social or athletic organization, but more in the nature of a community enterprise.

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Senate Should Study Pay Raises As Well as Price Hikes, Nourse Says

Ex-Presidential Aide Scores Steel Price Boost, Cites Union "Wage-Setting"

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The Senate anti-monopoly subcommittee set out to investigate "administrative" price-setting by business, but its first witness insisted union wage-setting deserved the same attention.

Edwin G. Nourse, chairman of former President Truman's Council of Economic Advisors, immediately broadened the "administered prices" title pinned on the probe by subcommittee Chairman Kefauver (D., Tenn.).

After bluntly stating, "Wages also are 'administered,'" Mr. Nourse declared: "It is my belief that the processes of price-making and of wage-making are so intertwined in the modern world that neither can be effectively analyzed in isolation from the other. I believe also that the phenomenon known as monopolistic competition or as administered pricing manifests itself in essentially similar ways and with essentially similar consequences in the two cases."

Not Subject to Supply and Demand

Mr. Kefauver's opening statement defined "administered prices" as those fixed for long periods of time by a company's administrative action, rather than being subject to frequent changes through the interaction of supply and demand on the open market.

The senator said the subcommittee wants to find out if "administered prices in concentrated industries" contribute to inflation, which he labeled "the nation's No. 1 domestic economic problem." Later, he added that the lawmakers also hope to explore the inflationary effects of wage increases.

Under questioning, Mr. Nourse said he thought the recent steel price increases will stimulate inflation. The \$6 a ton boost "does not seem to me to have economic justification," he said, and he "cannot avoid the conclusion" that the increase will have an "undesirable impact" on anti-inflationary efforts. However, he praised the industry for "restraint" in not seeking a larger boost, as some steelmen are reported to have urged.

Steel Industry a Prime Target

It was obvious from the outset that the steel industry is a primary target of the Senate investigators. But Sen. Kefauver said the subcommittee also hopes to scrutinize pricing policies in the farm machinery, petroleum, baking, and a number of other industries."

He predicted the hearings would run into August. But delays stemming from the Senate's civil rights battle could sharply reduce the subcommittee's meeting time.

The chairman clearly indicated the subcommittee is unlikely to seek any new legislation as a result of the hearings but aims only at shedding light on the situation. In addition to the antitrust approach of breaking up large industries to eliminate their power to set prices

Washington at Work

Congress

administratively, the senator listed the alternative of Government controls—either mandatory or persuasive.

Sen. Kefauver then condemned mandatory controls—"some sort of public utility regulation of prices"—as "a last resort, and not a desirable one at that." But he had high praise for persuasion, "which derives its strength from the force of public opinion."

Should Apply to All Groups

Mr. Nourse, on the other hand, urged that Congress make clear the antitrust laws should apply to all economic groups, including labor unions and farmers, which are largely immune today. He also suggested Congress might change the antitrust laws to permit the Government to move against "price solidarity" without having to prove conspiracy or collusion.

The recent steel price increase, he said, is an example of price solidarity over which the Government now has no control, since there is no indication collusion or conspiracy was involved.

In general, the economist argued, "the expression 'administered prices' is a misnomer or carries faulty emphasis. To speak of 'administered resources' might better point the issue. It would focus attention on the fact that giant corporations are making administrative decisions that activate or withhold the use of the company's capital plant or funds and that massive labor unions set 'withholding' on large and strategic blocks of the nation's labor supply."

UAW's Power Cited

As an example of labor activities, Mr. Nourse went on, "The United Automobile Workers, with effective control of the labor supply in its sector, has already declared an intention of demanding next year that the present 5-day wage (with a little fringe on top) be paid for 4 days work in the future."

Voicing "definite concern" over this proposal, he asked the senators, "Is this compatible with maximum production and purchasing power, or with (U.A.W. President Walter Reuther's) inspiring philosophy of 'America learning to distribute abundance'?"

Mr. Nourse indicated he was concerned about the consequences of such an action on the economy and suggested the Government may have to determine its "responsibilities... to head off harmful consequences, remedy them or assume their burden."

Mr. Kefauver, in his opening statement, asserted administered prices "have become more and more important in our economy." One reason, he said, is the nation's switch from an agricultural to an industrial economy. But he also declared, "There is evidence to indicate that it has also been due in part to a long-time increase in economic concentration and that this trend has been continuing... Within a broad area of the economy," he asserted, "prices are set, not automatically by the unseen hand of competition, as are the prices of wheat and hogs, but by the conscious and deliberate action of corporate managers who have the power to set prices at alternative levels."

Lead-Zinc: The House Ways and Means Committee scheduled hearings August 1 and 2 on bills to set sliding excise taxes on lead and zinc imports.

Anti-Dumping: The House Ways and Means Committee scheduled hearings July 29 through 31 on bills to tighten the anti-dumping law.

Administered Prices: The Senate Anti-monopoly subcommittee began its hearings on so-called "administered prices," with Edwin G. Nourse, former chairman of the Council of Economic Advisors, as the leadoff witness.

Poultry Inspection: The House passed and sent to the Senate an industry-backed measure (H.R. 6814) requiring Federal inspection for wholesomeness of ready-to-cook poultry destined for interstate shipment.

Meat Packers: An Agriculture Department official, in testimony before the House Agriculture Committee, renewed the agency's opposition to shifting control over meat packers' trade practices from the department to the Federal Trade Commission. Assistant Secretary of Agriculture Earl Butz also urged a tightening of the legal definition of a meat packer to cover only companies principally engaged in the business.

Taxes: The House Ways and Means Committee decided that in its coming consideration of tax bills called up by individual committee members, it would not consider any bill costing the Treasury more than \$100 million.

Stock Fees: The Senate Banking Committee approved a measure to increase annual registration fees paid to the Securities and Exchange Commission by stock exchanges and to create a new fee to be paid by brokers and dealers on over-the-counter transactions. These charges are usually passed on to investors.

Gadsby: The Senate Banking Committee approved nomination of Charles Gadsby to be a member of the Securities and Exchange Commission, replacing Chairman J. Sinclair Armstrong.

Cooke: The Senate Banking Committee approved nomination of Earle Cooke to a six-year term as member of the Federal Deposit Insurance Corp.

Atomic Agency: Atomic Energy Commission and State Department officials testified before a House-Senate Atomic Energy subcommittee in favor of a bill to enable the U. S. to participate in the International Atomic Energy Agency. The Senate recently ratified a treaty setting up this agency.

Reactors: Atomic Energy Commission Chairman Straus and other Administration officials testified on the Government's nuclear reactor program behind closed doors before a House-Senate Atomic Energy subcommittee that's considering the annual A.E.C. construction authorization bill.

Air Force Getting New High-Energy Fuels Using Boron

Olin Mathieson Compounds to Run Military Aircraft and Missiles Firm Says

Called Advance Over Gasoline

By a WALL STREET JOURNAL Staff Reporter

NIAGARA FALLS, N. Y.—Olin Mathieson Chemical Corp. announced it is now shipping new "high-energy fuels" to the Air Force. The fuels are made from chemical compounds of the mineral boron, which is derived from borax, once used mainly in household cleaners.

The new fuels will be used in military aircraft and guided missiles. They represent a major advance over conventional fuels, such as gasoline, because they produce about twice as much energy per pound as fuels derived from petroleum, Olin said.

Olin calls its high-energy fuels HEF-2 and HEF-3 and says it has completed research on an even more powerful fuel called HEF-4. The exact composition of the fuels is not stated but it is known that they contain the chemical compounds of boron called pentaborane and decaborane. The light metal lithium is also an ingredient in some fuels. But the company did not say whether it is using lithium.

Although all the output of the new, high-energy fuels is now going to the Air Force for use in planes and missiles, they will also have uses ultimately in civilian airplanes. Brig. General C. H. Mitchell of Wright Patterson Air Force Base at Dayton, Ohio, said recently he could visualize the use of the new fuels in the "not too distant future" for transporting civilians in planes non-stop from one point to another "over distances heretofore considered impossible."

The company disclosed it had spent \$5,500,000 on its first plant currently producing high-energy fuel on a pilot plant basis for Air Force testing purposes. A second plant scheduled to go into production at Niagara Falls for the Navy later this year will cost about \$4,500,000 and will produce three times the quantity of fuel being turned out for the Air Force. Company officials explained the second plant will cost less than the first because an important intermediate in the chemical process will be supplied by Metal Hydrides, Inc., and not by Olin Mathieson.

A third plant, also at Niagara Falls, will be built for the Air Force at a cost of some \$36 million. Olin officials said the third plant is expected to go on stream in the spring of 1959 at a rated capacity of 14 times that of the first plant.

Olin spokesmen declined to say what the fuels cost at present and also what they would cost once production reaches predicted ca-

pacity. However, officials noted, the high-energy fuel would be substantially higher priced than conventional fuels such as gasoline, both on a productive basis and an energy per unit weight basis, assuming high-energy fuels get about one and a half times more energy out of a unit than conventional fuels.

Dr. L. K. Herndon, head of Olin's fuel operations, said, however, that "our developments have brought the price down rapidly," and predicted large-scale production would bring prices within the range to "permit extensive use of the fuel."

The value of the new fuels is that they create much more energy per pound than fuels derived from petroleum such as gasoline, the company says. The element carbon in petro-

leum has a heating value of only 13,000 b.t.u. per pound whereas the element boron which is lighter than carbon gives about 26,000 b.t.u. per pound.

Kansas City First National Bank

KANSAS CITY—Stockholders of First National Bank authorized an increase of \$750,000 in the capital, which boosted it to \$5 million.

As result of the action, directors voted a stock dividend of 17.84% to stock outstanding July 9.

To effect issuance of 30,000 shares of \$25 par value stock, the bank has transferred \$750,000 from surplus, which was reduced to \$12 million.

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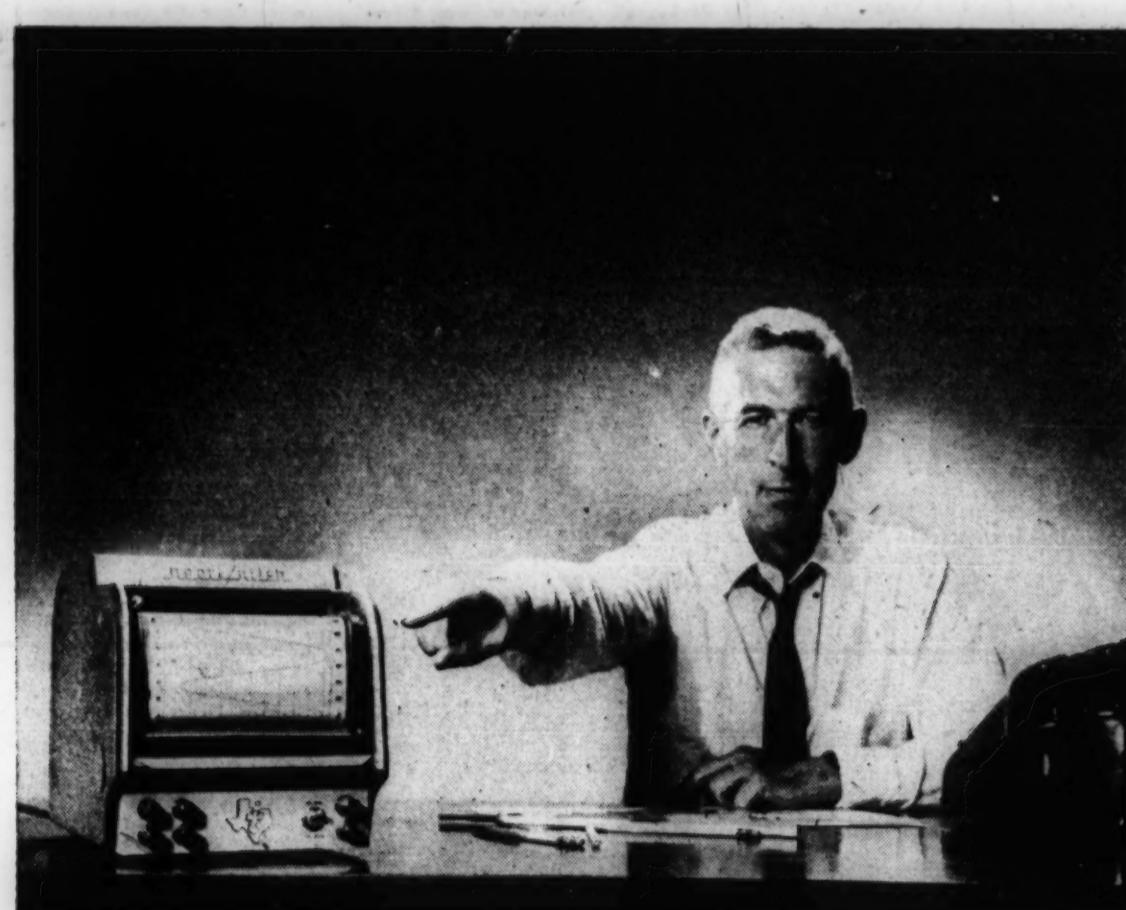
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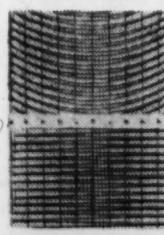
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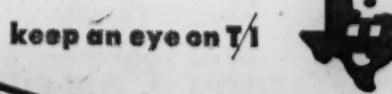
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For decades, swinging recorder pens wrote with a curved, distorted trace... easy to misread and hard to decode. Even though it had "always been done that way," it meant lost time—expensive time of highly trained men—time that added up quickly since tens of thousands of recorders are used by science and industry.

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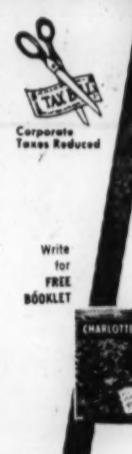
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Portuguese Government Awards AMF Atomics Order to Build Reactor

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—AMF Atomics, a division of American Machine & Foundry Co., will design and build a nuclear research reactor for the Portuguese government.

The reactor, which will be operated under the direction of the Portuguese Atomic Energy Commission, will be a part of Portugal's first nuclear research center being constructed near Lisbon. It is expected to be completed in August 1958.

Jose Ulrich, president of the Portuguese A.E.C., said that the research facility will centralize industrial as well as government research and development in the nuclear sciences, along with training Portugal's nuclear energy personnel.

The contract marks the sixteenth AMF Atomics reactor project in various stages of design and construction throughout the world, of which two have been completed and are now operating.

Humphrey Opposes Return to Full Gold Standard at This Time

Treasury Chief Would Wait Until World Conditions "Are Stabilized"

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—Treasury Secretary Humphrey said he would oppose putting the U. S. currency back on the full gold standard until world conditions some day are stabilized.

He defended the present currency setup against attacks by Sen. Malone (R., N.Y.) and said if he had the authority to write his own program for establishing a sound currency he'd stick by the present system.

"I do exactly what I'm doing and have been trying to do for the past four years," he told the Senate Finance Committee as it continued its investigation of the country's financial condition.

"I'd try to make further improvements in the budget, run the country on a proper fiscal basis and attempt to do all the things we've done a little better while keeping our present currency system."

"I would not go back to a metal-based currency today," he emphasized.

"When?" Malone Asked

Asked by Mr. Malone, "What day would you go back?" the Treasury chief replied:

"I don't know when that day is coming. There may be sufficient world stability some day to do it, but I would not do it under conditions today."

The U. S. was on the full gold standard, under which currency was freely convertible into gold, until 1933. Now U. S. citizens are barred from holding gold except in certain restricted forms. Mr. Malone proposed going back to the old gold standard as a way of stabilizing the currency and coping with inflation.

The Treasury Secretary's remarks came during his 11th day before the Senate committee, a day in which he appeared visibly irri-

tated for the first time by Mr. Malone's questioning and by the duration of his appearance before the committee. Six Senators will still have a turn at Mr. Humphrey after Sen. Malone is through, perhaps today.

Humphrey Appears Annoyed

Many times during yesterday morning's session, the Treasury Secretary told Sen. Malone with some asperity to ask questions about monetary policy of Federal Reserve Board Chairman Martin, on debt management of Treasury Under Secretary Burgess and on foreign aid and tariffs of State Department officials. More than once he snapped at Mr. Malone's queries, "I've answered your question many times already."

Mr. Humphrey was eager to continue answering questions yesterday afternoon, but Mr. Malone wanted to quit to listen to the civil rights debate on the Senate floor. When Chairman Byrd (D., Va.) commented that debate could go on for a "long, long time," Mr. Humphrey interjected, "That's not so different from what's going on here."

The Treasury chief was overheard telling Mr. Byrd after the hearing broke up, "I'm going to have to get some time off here pretty soon." Mr. Humphrey is winding up his work at the Treasury with the intention of leaving late this summer.

Besides plugging for a return to the gold standard, Sen. Malone also repeated previous questions on the amount of U. S. gold foreign holders could demand from the Treasury.

Humphrey Agrees on Theory

He got Mr. Humphrey to agree that theoretically, foreign central banks and international institutions could tomorrow demand that the Treasury sell them \$9.1 billion of its \$22.7 billion gold holdings for dollars. The U. S. is still required to keep gold on hand to cover 25% of the amount of Federal Reserve notes and deposits, now estimated at close to \$47 billion.

Mr. Humphrey said only a world upheaval could force such a run on U. S. gold and in that case the Treasury would probably declare a moratorium as it is empowered to do, and halt such sales.

Mr. Malone also claimed that foreign holders, other than central banks and institutions, of another \$7.1 billion of dollar credits in this country could switch their accounts to the central banks and also demand gold for dollars. Mr. Humphrey questioned this assertion but conceded it might be partially true.

In answer to other questions put forth by the Nevada Republican, the Treasury chief admitted that inflation dilutes the effect of fixed dollar-and-cents tariffs on foreign imports. As prices of commodities go up, he agreed, the fixed tariff becomes proportionately smaller.

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House Unit Clears Natural Gas Bill; Close Vote Expected on Floor

Backers Push to Get Measure Before House This Session; No Senate Action Foreseen

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The controversial Natural Gas Bill cleared its first Congressional hurdle, squeaking through the House Commerce Committee by a 15 to 13 vote.

The tight committee lineup on the measure that would sharply curtail Federal regulation of natural gas producers' prices is expected to be a forerunner of similar close votes when the bill reaches the House Rules Committee and the House floor.

Proponents and foes issued conflicting predictions on eventual fate of the bill. House Speaker Rayburn (D., Tex.), in an indirect slap at the Administration, asserted that if the people who say they're for the bill "put their car in, then there is a good chance to pass it." However, two leading opponents—Reps. Mack (D., Ill.) and Macdonald (D., Mass.)—forecast defeat. Mr. Macdonald said the House should turn down the measure by 50 votes.

Treats Gas as Commodity

The bill is substantially the same which Committee Chairman Harris (D., Ark.) introduced two months ago. It would generally treat gas as a commodity and allow producers the going field price, rather than basing the controls as at present on a utility-type "cost plus a fair return" standard. The only amendment of any importance adopted by the group during two weeks of closed-door hearings would help out some industrial users of gas by allowing refunds when the Federal Power Commission decides a pipeline is charging too much.

After the committee action, Mr. Harris told reporters he is "reliably informed" the Administration supports the bill even though it doesn't contain two amendments it proposed to keep more regulatory powers in the F.P.C.

The committee vote, which shattered party lines, generally found lawmakers from Southern and Western states pitted against those from the northern gas consuming areas.

Backers of the bill hope to push it through the House this session in the belief they have a better chance now than in the 1958 election year when Representatives from consuming areas are likely to oppose the bill more strenuously. At present, it appears the Senate won't get around to acting on the bill this session because of the lateness of the term and the civil rights debate. But proponents would count House approval as a major victory since the Senate approved a previous natural gas bill by a comfortable margin.

Close Vote Expected

Both sides agree the House vote on the measure will be close. They note the lower chamber two years ago approved a broader bill to lift Federal controls over most gas producers by only six votes.

Mr. Harris, who refused to make a flat prediction, indicated he thought the new bill would encounter less opposition. He termed his measure a compromise and "an altogether different type of bill." The chairman noted that two committee members who wanted all Federal controls removed merely voted "present" yesterday instead of casting an affirmative ballot. The lawmakers, Reps. Williams (D., Miss.) and Alger (R., Texas) said they would have voted for the measure if the issue had been in doubt. The committee approved the previous natural gas measure by only one vote two years ago, Mr. Harris pointed out.

The F.P.C. has endorsed the Harris bill's overall approach, and it's believed acceptable to the President, who has praised its basic outline and repeatedly asserted the need for some such legislation.

Proponents have argued present Federal regulation is unworkable and discourages exploration and development of natural gas resources. Critics contend the bill would jack up the cost of gas to consumers and result in "windfall" profit for large producers.

The new measure does not entirely discard controls on the rates of producers selling to interstate pipelines, but makes them far more palatable. It provides direct Federal control, but allows producers the "reasonable market level" or going field price for gas and specifically forbids the F.P.C. from weighing the cost of production in determining the allowable rates.

In addition, the bill provides that any new producer contracts with pipelines must be filed with the F.P.C., which must investigate and hold hearings if there is any objection. The agency could cancel the contract if it decides the proposed rates would be higher than the "reasonable market price." Any new contract would also be void if it contained certain types of "objectionable" escalator clauses or any types of "indefinite price clauses."

Armcop Steel Buys Unit

MIDDLETOWN, Ohio—Armcop Steel Corp. announced purchase of a sintering unit at its Hamilton, Ohio, plant which it had been leasing from the Federal Government since 1943. R. S. Gruver, Armcop administrative vice president, said Armcop and the General Services Administration agreed on a purchase price of \$380,000.

Installation of the unit, designed to recover fine dust and iron ore "fines" and thus conserve raw materials, was completed by the Reconstruction Finance Corp. in the early stages of World War II.

which the agency finds contrary to the public interest.

The commission would have no jurisdiction over existing contracts with definite fixed prices, or those calling for definite future price increases. However, the agency could pass on future rate boosts resulting from existing "indefinite pricing clauses."

The committee earlier rejected Administration amendments that would have allowed the F.P.C. discretionary authority to take the cost of producing gas into consideration in determining gas rates, and to review future price increases provided in existing fixed-price contracts between producers and pipelines. Gas producers and oil state lawmakers attacked the recommendation, contending they would scuttle the bill and defeat its purpose.

Yesterday, the group also rejected by a 19 to 11 vote a substitute offered by Rep. Macdonald that would have removed rate controls entirely from small, independent producers, but retained the current rigid controls on major producers.

Bell Helicopter Corp.

FORT WORTH, Texas—Bell Helicopter Corp., subsidiary of Bell Aircraft Corp., has received an Army order for 42 additional model H-13H three place training and liaison helicopters, according to Harvey Gaylord.

president of the helicopter concern. The new order was characterized by the company as the second "multimillion dollar" order placed in the past week. Last week a sizable order for the larger H-40 turbine powered helicopter was announced.



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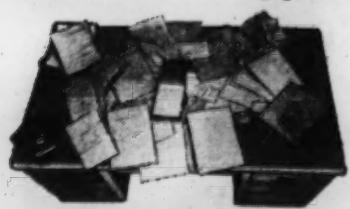
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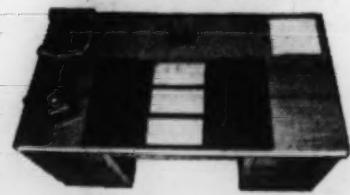
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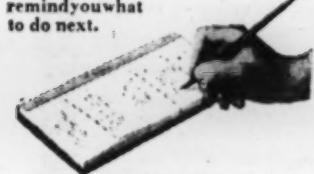
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Business Milestones**Indian Head Mills, Inc.,
And Stifel Plan Merger**

NEW YORK—Indian Head Mills, Inc., and J. L. Stifel & Sons, Inc., announced the basis on which negotiations for a merger of the two textile concerns are being conducted.

The proposal includes the conversion of the 307,440 common shares of Stifel into 204,960 shares of a new voting \$1.50 cumulative preferred stock of Indian Head Mills or one and a half shares of Stifel common for a share of the new Indian Head preferred. The latter stock would be junior to Indian Head Mills' \$1.25 cumulative preferred and would have a liquidating and redemption value of \$25 a share, with quarterly cumulative dividends of 37½ cents a share.

The new \$1.50 preferred would be serviced by a sinking fund into which Indian Head Mills would make an initial cash payment of a sum equal to 4% of the aggregate redemption price of the stock and, thereafter would pay, on each quarterly dividend date, a cash sum equal to 1% of the redemption price.

Indian Head and Stifel had previously disclosed that they were carrying on "final negotiations" for a merger, which would have to be approved by stockholders of both companies, and the Indian Head board has approved the "general features" of the plan. Both companies said stockholders will be "promptly notified" when a final agreement is reached.

Indian Head operates mills at Cordova, Ala., Spartanburg, S. C., and Ponce, Puerto Rico, and in 1956 chalked up sales of \$21,813,581 and earnings of \$363,975, or 50 cents a share.

Stifel operates a cotton mill at Glendale, S. C., and owns another mill at Douglasville, Ga., and a dyeing and printing plant at Wheeling, W. Va. However, it has announced that it is discontinuing the latter two operations. Last year it reported sales of \$13,861,117, and earnings of \$156,012, or 52 cents a share.

**Pfaudler and Permutit Plan
To Form Merged Company**

NEW YORK—Directors of Pfaudler Co., Rochester, N. Y., and Permutit Co. have approved submitting to stockholders a plan to merge the two companies under the name Pfaudler-Permutit, Inc.

Under the proposal Pfaudler shareholders would receive 1,429 shares of Pfaudler-Permutit for each Pfaudler share. Permutit holders would exchange their shares for shares of the new company on a one-for-one basis.

Previously Pfaudler had purchased about 25% of the outstanding stock of Permutit from Ward Industries Corp. of New York. Terms of this sale were not disclosed.

Pfaudler makes industrial water conditioning equipment and is also in the home water softener field. The concern forecasts shipments of over \$15 million for 1957.

Headquartered in New York City, Permutit manufactures ion exchangers at Birmingham, N. J., and owns a metal working plant in Lancaster, Pa. It operates six direct and one indirect wholly-owned subsidiaries.

Pfaudler has been a producer of glass-lined

steel mixing and processing equipment for the chemical, food, dairy and beverage industries since 1884. Its sales in fiscal 1957 amounted to about \$22 million. The firm operates seven plants throughout the world.

**Flintkote Plans to Acquire
Kosmos Portland Cement Co.**

NEW YORK—Flintkote Co. plans to acquire Kosmos Portland Cement Co., Louisville, Ky., I. J. Harvey, Jr., chairman of Flintkote, and Charles Horner, president of Kosmos, announced. The proposal, which calls for Kosmos' becoming a wholly-owned subsidiary of Flintkote, is subject to the approval of stockholders of both companies.

The acquisition plan calls for Flintkote to issue 189,000 shares of common and 73,000 shares of its proposed voting 4½% second convertible stock, par value \$100, in exchange for all outstanding shares of Kosmos. The preferred would be convertible into common at the rate of two-for-one.

Mr. Harvey said Flintkote holders will vote on the measure at a meeting to be held in Boston, August 20.

Kosmos produces portland cement and masonry cement for Kentucky and southern Illinois, Indiana and Ohio. It also maintains bulk terminal facilities at Cincinnati and Evansville, Ind.

Flintkote is a large user of portland cement in the manufacture of its asbestos-cement products.

**Theo. Hamm Brewing Co.
Buys Los Angeles Brewery**

LOS ANGELES—Theo. Hamm Brewing Co. purchased a West Coast brewery for an undisclosed price.

The president of the St. Paul company, William C. Fligge, announced the firm had acquired all buildings and property of Rheingold Brewing Co., Los Angeles, owned by the Continental Holding Co.

Hamm's said it will spend \$4 million for a remodeling and building program for the Los Angeles brewery. The expansion program will include a new aging stock house, a new fermenting building and additional equipment.

Production of beer is scheduled to start in the spring of 1958. Hamm first began brewing on the West Coast when it purchased a San Francisco plant in 1955. Since Hamm's opened this plant "we have enlarged it three times and have increased annual production to 840,000 barrels," Mr. Fligge said. "But demand still exceeds supply."

The Los Angeles facilities, Hamm spokesman said in St. Paul, will add about 500,000

barrels to the company's annual production capacity when the improvement program is completed.

Collins Radio to Expand

DALLAS—Collins Radio Co. announced plans to construct a \$1.7 million engineering and development building on the company's 200-acre site in Richardson, Texas, a Dallas suburb.

James G. Flynn Jr., vice president for sales and manager of Collins' Texas division opera-

tion here, said the engineering and development building will be "only the beginning of a long-range expansion program as our company and the electronics industry continue to grow."

The new building will have a ground floor area of 105,000 square feet and an additional 18,000 square feet in mezzanine and second floor areas. The site was acquired by Collins Radio more than a year ago. The company's Texas operations are now conducted in 11 sites with a total of 243,000 square feet of space.

Ronson Acquires Saxony

NEWARK, N. J.—Ronson Corp. announced the acquisition of control of Saxony Electronics, Inc., of Wilmington, Del.

According to Louis V. Aronson, president of Ronson, this represents a further step in Ronson's previously-announced diversification policy. The Saxony company makes hair dryers, heating pads and room vaporizers, and is also developing other electrical appliances. Operating personnel of Saxony will remain unchanged, according to Mr. Aronson.

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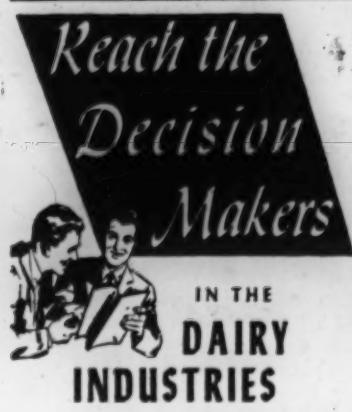
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Inflation Irony: Coal, Rail Hikes End British Voluntary Price Freeze

Continued From First Page

forcing England to buy higher-priced Western oil. Even so, the price freeze succeeded in slowing the cost of living rise.

The British cost of living index rose 3.6% in the year ended last March 31. That compared with a rise of 5.8% in the previous 12 months. The index, of course, takes into account prices of food as well as manufactured goods.

But it didn't halt the constant clamor by labor for fatter pay packets, although some government and industry officials believe the hold-the-line attitude did water down some wage claims. For example, the nation's 2.5 million workers in auto factories, aircraft plants and other metal-working industries late last year put in for a 10% wage boost that would have cost employers an estimated \$280 million a year. The unions were ready to strike to back up their demands but finally settled for pay boosts that probably will total \$182 million annually.

With wage increases still being demanded and negotiated it is difficult to figure their total impact. But Ministry of Labor statistics indicate that pay boosts granted more than 8.2 million industrial workers in the first five months of 1957 are equal to more than \$8.6 million a week. On an annual basis that would increase industry's 1957 labor bill by \$450 million. Some industrial officials, however, contend that the added cost will be \$728 million by the time all pay boosts are figured.

The index of wage rates compiled by the Ministry of Labor already shows the effect of 1957 bargaining. It jumped four points, to 110 from 106, in May alone. (January, 1956, is 100 on the index.)

The government can't be assigned sole responsibility, of course, for the crack in the price line. Some price increases now being announced probably would have come anyway; it is evident that the voluntary price freeze couldn't have lasted indefinitely without some sort of damper on costs, especially labor costs.

And the current demand by trade union leaders for a shorter work week isn't likely to curb production expenses or help the government control inflation.

The National Union of Mineworkers, 700,000 strong and highly influential, is pressing for a 40-hour week for "pithead" workers plus an extra week's paid vacation. About half the mine employees employed in surface operations now work 42½ hours a week; hours of other mine workers are varied.

Shipyard, engineering and railroad unions also are committed to achieving a 40-hour week. If the push for shorter work weeks succeeds it will further boost production costs by increasing overtime. Cost of a 40-hour week in the engineering, or metal-working, industries alone would be \$420 million a year, according to industry officials.

British government finance chiefs appear to be banking on increased industrial production to offset the inflationary effect of wage boosts. They note that exports, domestic consumption and investment all have increased since the national budget was prepared in April. Future months should bring a definite rise in production, government officials say, especially since export opportunities are viewed as good. "If production does increase to the extent that it can offset recent pay increase awards, it could help counteract the inflationary effects of these on prices," says a British Treasury man.

But the treasury man's statement, and others in the same vein, may be overly hopeful. Because the past year has been a period of price stability—but with rising costs and narrowing profit margins—many industrial concerns are anxious to raise prices. The coal and rail freight boosts have only strengthened this desire. A round of price hiking, of course, will touch off another upsurge in living costs and spur industrial workers' pay claims.

In short, another upward twist for the wage-price spiral.

bills to tighten the so-called anti-dumping laws.

An excise tax subcommittee headed by Rep. Forand (D., R.I.) announced it will meet tomorrow afternoon to consider action to reduce the 20% cabaret tax and on various excise tax bills which the full committee approved last Congress but which failed because of Senate action.

The committee earlier this session agreed to start voting yesterday on tax bills called up by its members, with an understanding that nothing involving a "substantial" revenue loss would be considered. Yesterday the question arose as to what constituted "substantial" revenue loss.

Chairman Cooper (D., Tenn.) suggested ruling out of order any bill costing over \$1 million. But members protested that this was too low and the \$100 million ceiling was agreed to.

The limit would not only rule out consideration of the self-employed tax-deferment bills but also proposals to exempt from tax all contributions to Federal Social Security and Railroad Retirement systems, bills to cut the tax rate on small businesses and many other proposals to cut individual income taxes and excise taxes.

Members said they thought they might be several weeks voting on bills called up by members.

The panel voted:

To rule out of order, when it starts considering members' tax bills today, any measure costing the Treasury more than \$100 million. This would presumably rule out consideration of proposals to defer taxes on money self-employed people put aside in retirement plans.

To hold hearings August 1 and 2 on bills to impose sliding import duties on lead and zinc.

Against hearings on the Administration's proposal for U.S. membership in the Organization for Trade Cooperation.

To hear testimony July 29 through 31 on

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at the economics of Petroleum Products Marketing

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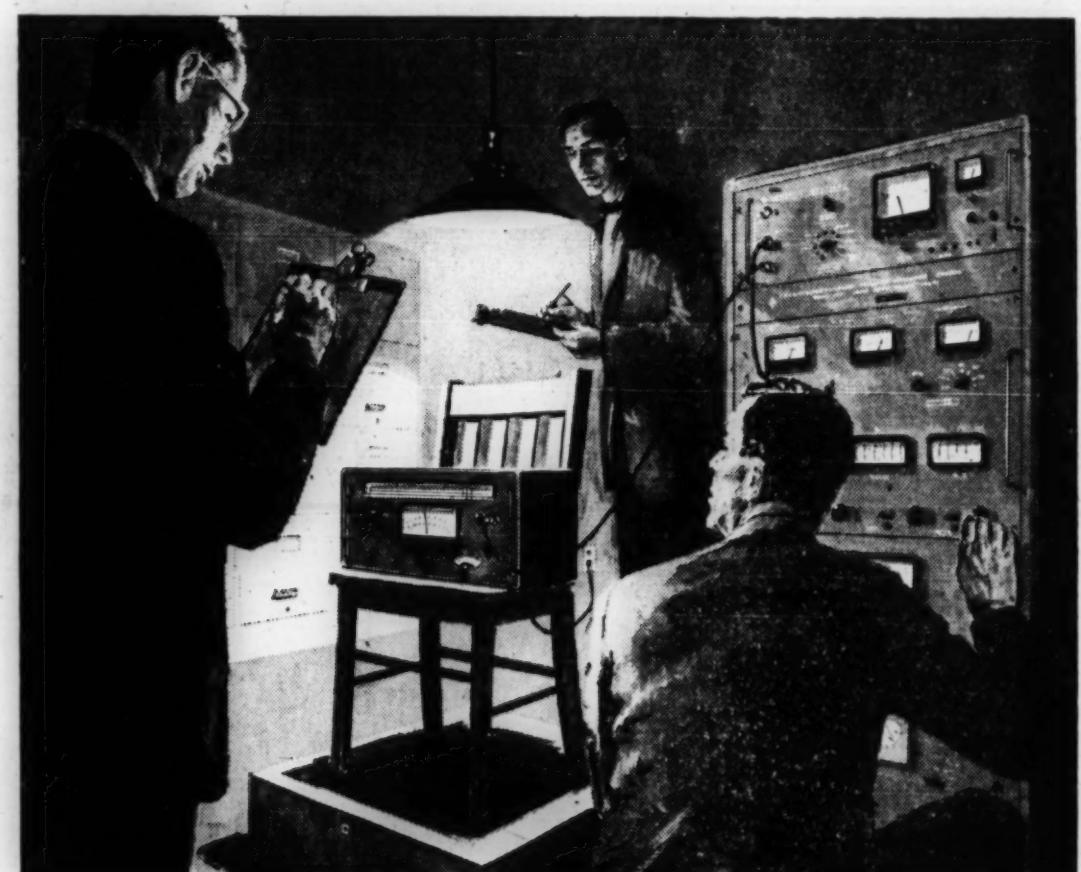
Because of this extensive experience Universal is now able to offer the industry the services of a highly qualified marketing and economic research group to help refiners, established or potential, plan intelligently for future development.

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Zinc Stocks in June At Highest Level in 4 Years; Shipments Lag

Stockpile Deliveries Are Down From May and Refined Production Shows Decline

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Zinc stocks at U. S. smelters plants in June rose to the highest level in nearly four years while shipments to U. S. industry were the smallest in a year. In addition deliveries of zinc to the U. S. stockpiles were off sharply from May and the lowest since February. Refined production showed a moderate cut from near-record output in May.

These developments pinpointed the continued deterioration of the zinc industry which has been suffering for some time from over-production along with a severe decline in consumer demand. The current figures reflect too the falling off in Government buying of the metal through its domestic program and its recently greatly restricted barter of surplus agricultural products for foreign zinc.

Barter Program Lags

Government buying of zinc under these programs, up to a few months ago, had been the principal price prop for zinc, and had been mainly responsible for a stabilized 13½ cent price from early January, 1956, up to May 9, 1957. The much restricted barter program of the Agriculture Department put into effect two months ago, has been followed by price cuts totaling 3½ cents a pound bringing zinc's price down to 10 cents East St. Louis.

The American Zinc Institute, Inc., in its report for June showed stocks on hand at the end of the month totaling 133,558 tons, a gain of 90,762 tons over May and the highest since November 1954, when stocks totaled 134,638 tons.

Deliveries of zinc to all sources last month aggregated 69,957 tons, a drop of 19,736 tons from May shipments, and the lowest since July, 1956, when they were 49,531 tons. The shipments in July, a year ago reflected the steel strike which cut off deliveries to steel galvanizers.

Domestic Consumption Down

Domestic consumers took 54,275 tons of the June total, a drop of 8,454 tons from May, and also the smallest for any month since July last year when shipments were 33,605 tons. June delivery of zinc to the U. S. Government was 14,324 tons, off 12,534 tons from May, and the smallest since February's deliveries of 10,900 tons.

Refined zinc production last month was 50,718 tons or an average of 3,024 tons a day. This compared with 96,855 tons or 3,124 tons a day produced in May. July production should be lower reflecting mine and smelter curtailment, as well as shutdowns because of labor difficulties.

The following table gives shipments, production, stocks and unfilled orders for the months of June and May, 1957, and June, 1956, in tons of 2,000.

	June 1957	May 1957	June 1956
Shipments—total	69,957	89,493	68,672
to U. S. industry	54,275	80,729	53,048
to U. S. Government	14,324	12,534	10,900
to Export	1,358	2,106	539
Production	50,718	96,855	78,521
Production daily average rate	5,0718	96,855	78,521
Stocks on hand	133,558	114,803	68,228
Unfilled orders	28,822	31,539	45,921

American Enka Corp.

AMERICAN ENKA CORP. reports for 24 weeks ended June 16:

	1957	1956	1955
a-Earned per share	\$0.42	\$1.25	\$2.55
Net sales	27,547,000	28,963,799	32,384,706
Net income after taxes	572,725	1,696,812	3,462,891

For the 13 weeks ended March 24, 1957, American Enka reported net income of \$377,000, equal to 43 cents a share, compared with net income of \$1,082,244, or 80 cents a share, in the like 1956 period.

Devon & Raynolds

DEVOE & RAYNOLDS CO., INC., reports for six months ended May 21:

	1957	1956	1955
a-Earned per Cl A sh	\$1.40	\$1.30	\$1.25
Cl B sh	.70	.70	.70
Gross sales	27,945,323	26,997,564	23,419,312
Net before taxes	1,571,811	1,695,960	1,392,183
Net income after taxes	754,811	812,960	681,183

Under the participating provisions of the shares. The company is controlled by Merritt-Chapman & Scott.

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CHAMBER OF COMMERCE

Patino Mines Received \$541,366 From Bolivia During First 6 Months

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—Patino Mines & Enterprises Consolidated, Inc., reports that during the first six months of 1957 it received \$541,366 in accordance with a December, 1956, agreement with the Bolivian government. The agreement provides for payment of certain percentages of the price of tin concentrates shipped from the mines formerly owned by the company in Bolivia. These properties have been nationalized by the Bolivian government and are being operated by Corporacion Minera de Bolivia, an agency of the Bolivian government.

The money paid by Bolivia to Patino—called retentions—are to be applied against

indemnification for the value of the properties when such value is determined.

The funds paid in the first half of 1957 include \$123,655 resulting from adjustment in the rate pertaining to certain 1956 shipments, the company said. In the first six months of 1956, Patino reported receipt of such funds totaling \$222,372.

Patino also reported that due to higher income from interest on Federal Government securities and to profits on sale of some remaining investments, its net estimated expenses for the 1957 first six months were \$25,633, compared with \$62,153 in the similar period of 1956.

New England Tel. & Tel.

NEW ENGLAND TELEPHONE & TELEGRAPH CO. reports to F.C.C.:

	1957	1956	1955
Earned per com sh	\$1.50	\$1.41	\$1.24
Net inc. in taxes	8,746,543	8,447,453	7,382,804

May gross 327,187,766 325,719,698 327,790,350

a-Net income 2,388,429 2,219,884 2,233,343

Production gross 132,300,401 133,033,241 114,366,758

Net income 15,887,416 11,965,748 9,855,204

a-After taxes and charges

Phillips-Jones Bookings Good

NEW YORK—Advance bookings of Phillips-Jones Corp., producer of Van Heusen shirts, for the fall season are "excellent," and the company expects a substantial volume of filling orders through the season. Lawrence S. Phillips, vice president, declared at a special stockholders' meeting.

Shareholders approved a proposal to change the name of the company to Phillips-Van Heusen Corp. Mr. Phillips said the change probably will become effective about August 1.

Hiram Walker

HIRAM WALKER-GODDERHAM & WORTS, LTD., and consolidated subsidiaries report for quarter ended May 31:

	1957	1956	1955
Earned per com sh	\$1.50	\$1.41	\$1.24
Net inc. in taxes	8,746,543	8,447,453	7,382,804

May gross 327,187,766 325,719,698 327,790,350

Common shares 2,388,429 2,219,884 2,233,343

Nine months ended May 31:

	1957	1956	1955
Earned per com sh	\$6.00	\$5.44	\$4.90
Net inc. in taxes	34,046,000	30,636,622	28,387,847

Net income after taxes 17,326,474 15,713,652 14,153,673

THE WALL STREET JOURNAL, Wednesday, July 10, 1957

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Why do research in miniature? It's a matter of economics: Our four actual refineries process

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Excerpt from a report in the June 22nd issue

The Financial Post

CANADA'S NATIONAL WEEKLY OF BUSINESS INVESTMENT AND PUBLIC AFFAIRS

"Indian Lake Estates, the multi-million dollar luxury residential development bordering Lake We-oh-ya-Kapka, is well underway. Comprising about 7,000 acres, this development will have about 6,500 half-acre residential sites—the rest being devoted to palm-lined avenues and beaches, a modern club house, golf course and other recreational facilities. Close to famous beauty spots as Lake Wales and Cypress Gardens, it is in one of the most scenic areas on the continent."



Club House for Indian Lake Estates—construction is well underway. This spacious club house is adjacent to the 18-hole golf course (now under construction).



Actual Photograph: Indian Lake Estates' gate house at entrance to residential area. Personnel at gate entrances on duty 24 hours, maintain complete privacy of the community. This also shows new mercury vapor street lights.



Actual Photograph: Indian Lake Estates' 1,000-ft. private pier (longest fresh water pier in Florida) on Lake We-oh-ya-Kapka for Indian Lake Club members.

Leon Ackerman
President of Indian Lake Estates, Inc.

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OFFICE AT THE INDIAN LAKE ESTATES PROPERTY IN FLORIDA AT THE INTERSECTION OF ROUTES 60 AND 630
Representatives on the Property Daily and Sunday until Dark



Actual Photograph: Indian Lake Estates' beautiful 15-square mile lake has a firm, sandy bottom sloping gently from the shore.

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When you make a personal visit, you will see why purchasers from 42 states, Canada, and even as far west as California have found Indian Lake Estates irresistible. And to know how really delightful a place it is, there is no better time to see this "new private city in the making" than summer. One expects to find comfortable and pleasant living in Florida in winter, but to find a spot so blessed by Nature that summer and winter are equally delightful is indeed rare. The exhilaration of the dry climate, so free from enervating humidity, cooled by delightful breezes . . . and the ever pleasant nights can be more fully appreciated in summer. Proximity to Ocean and Gulf, the many lakes in the area, our own magnificent 15-square mile lake and location in the highest part of Florida, the Ridge Section, all add up to an unbeatable combination for enjoyable year-round living.

Indian Lake Estates is an ideal place to live and expertly planned for discriminating people. Building plans must be approved by the Planning and Zoning Committee. All parks and street plantings will be well maintained. Personnel at the gate entrances to the property maintain the complete privacy of the community. At Indian Lake Estates you can enjoy suburban privacy with the conveniences of a metropolis. The natural advantages afforded by its 15-square mile lake, wide beach areas fringed with exotic palms, and the opportunities for recreational enjoyment are features which have led to the wide acclaim and popularity of Indian Lake Estates.

For the location of our private Country Club Community, we made a careful three-year survey of the State. We wanted a place in the "golden state of Florida" suitable for year-round living. We carefully checked the advantages here. Our choice of location has brought gratifying results. People who have lived in various parts of the world tell us that no more delightful climate can be found anywhere in the world than at Indian Lake Estates. Indian Lake Estates is in the beautiful highland lake region, where, in addition to enjoying its incomparable climate, you will thrill to the beauty of rolling hills, myriad

Here in a setting of indescribable beauty is a limitless water sports playground. Indian Lake Estates borders beautiful Lake We-oh-ya-Kapka. This 15-square mile, spring-fed lake has a firm, sandy bottom sloping gently from the shore, and the sparkling fresh water is superb for bathing, water-skiing and boating. Anglers in great numbers find Lake We-oh-ya-Kapka a fisherman's paradise. In addition to the 1,000-foot private pier, the longest fresh water pier in Florida (now completed), the construction of the modern, beautiful club house is well underway. These and other facilities are all provided at no additional cost to the purchaser, and for his exclusive use.

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REVIEW and OUTLOOK

The "New" Inflation

Is the United States facing a "new kind" of inflation?

This question is rapidly blossoming into both a political and economic controversy. It keeps cropping up in the Senate Finance Committee's study of monetary policy. It is discussed by economic commentators. It underlies yet another probe which Senator Kefauver is about to undertake.

The political answer given by Senators Kefauver, Kerr and others is that we are indeed facing a new kind of inflation for which the Administration's and the Federal Reserve's current fiscal and monetary policies are the wrong remedy. In this view, the threatened inflation is characterized by price rises even in the absence of maximum demand; consequently the attempts to hold down demand by restraining credit miss the point.

Economically this is not a very serious argument. Whatever the demand for some goods, the demand for credit continues intense and this is the cause of the so-called "high" interest rates. It is not at all difficult to imagine what the inflationary impact would be if the Federal Reserve, as these politicians apparently want, were to pump up the money supply to the point that cheap money would be available to all and sundry.

An economically more sophisticated aspect of the controversy turns on whether the Government or the constant succession of wage increases is the prime source of the inflationary pressures. The "cost-push" theorists pin the main responsibility on the latter. The money supply, they note, has expanded only slightly in recent years, whereas wage rates have gone up

considerably, outrunning productivity gains.

Unquestionably the constant advance of wage rates, reflecting both what is for practical purposes a "full employment" economy and the monopsony power of organized labor to enforce its demands, constitutes a continual upward pressure on prices. Unquestionably such a spiral can be an inflationary influence.

But rising wages and prices are not automatically or by definition inflation. Unless there is inflation in the money supply the spiral cannot continue indefinitely; it will reach the ceiling of the money available.

So we get back to the money supply. It is true it has been expanding only modestly compared to earlier periods, but it grew tremendously under the inflationary policies of the war and initial postwar years. Consequently it is now a much greater money supply and even a "modest" expansion of it—say, two percent a year—could be too much to keep the inflationary dangers adequately checked.

For our part, we do not know that the present inflationary dangers are as great as some people fear. But we do know that it is nonsense to talk of inflation as though it were something that could somehow be divorced from the money supply. What the money managers are dealing with is not basically a "new" form of inflationary potential; it is the ancient one.

And if there is criticism of the money managers' policies it is not that they are too harsh, as the political inflationists contend, but that they may be too lenient.

Time and Circumstance

Secretary of State Dulles, returning from a well-earned vacation at Duck Island, his Lake Ontario retreat, observes that it is not yet clear to him whether the Kremlin upheavals had been brought on by policy issues or by a struggle for power.

But he recalled that less than two weeks ago in a speech in San Francisco he noted that "time and circumstance work also on these Communist despots." Thus, the Secretary observed, it now appears that time and

circumstance had been working on some of the leaders in Moscow.

Quite so. But a word of caution to those who think that this may presage some great changes in Russian policy seems in order. As Mr. Dulles noted, it is far too early to predict the ultimate effects of the present struggle on the Communist despotism.

For it wasn't only time and circumstance that worked against the deposed despots. A despot named Khrushchev also was working against

Censors' Silly Season

A resolution outlined in the House the other day drew opposition from not a single representative. This is rather peculiar considering the nature of the proposal.

The resolution would require advance censorship by the Secretary of State of any questions a reporter planned to ask in radio or TV interviews with any official of any Communist country. If the reporter failed to submit his questions or to get approval of them, there would be no interview.

The author of this interesting plan, Representative Madden, fears that the recent TV interviews with Khrushchev and Tito just spread a lot of Communist propaganda in this country, and he thinks the nature of the questioning helped make that possible.

Certainly objections can be raised to the questioning in both cases. Some of the questions put to Khrushchev were repetitive and dull. Most of those asked of Tito were monumentally soporific; many a viewer must have had a hard time staying awake the whole hour.

Those objections are in the realm of

news judgment; on that basis it can be argued that the Tito interview was hardly justified. It is something else again to suggest that the citizenry is being misled by the Communist propaganda; we would call that an insult to the American intelligence. And to impose this type of censorship smacks, as President Eisenhower strongly implied at his press conference, of violating the Constitutional guarantee of free speech.

But if Mr. Madden thinks censorship is such a good idea, we wonder why he confines it to radio and TV. Many things appearing in print are every bit as much Communist propaganda as are these oral fulminations. Think of all those lengthy, dreary, turgid Soviet diplomatic notes which newspapers either report or even print in full; they are full of attacks against the West and elaborately phony justifications of Communist policies. By a logical extension of Mr. Madden's proposal it should be possible to dry up all news about the Red world.

If we are going to have censorship, all means let us have it on a logical basis. Or, to put it another way, how silly can you get?

Reading Carloadings

PHILADELPHIA—Carloadings on the Reading Railroad for the week ended July 6, 1957, at 22,014 were 8% higher than the 20,377 of the corresponding 1956 week.

Loadings for the week, which included the July 4 holiday, were down, however, from the 32,458 cars counted in the previous week. The Reading Co. said its carloadings for the year-to-date totaled 847,474, off about 5% from the 894,142 in the like 1956 period.

PEPPER...and Salt

Brief Description
Of the Medusa,
Or Jellyfish

A blob of gelatin
Mimics a skeleton
—George Starbuck Galbraith

How to Prepare a Package
For That Boy at Camp

1. Find empty shoebox, string and wrapping paper.
2. Go to store and buy: Marshmallows, potato chips, dates, raisins, salted nuts, popcorn, chocolate kisses, gum drops, bridge mix.
3. Arrange treats neatly in box. Marshmallows don't fit.
4. Write a card to Gerald telling him just what to expect.

5. Cross out salted nuts, too. Your husband has turned the bag upside-down and is pouring them into his mouth. Take a few yourself. Good, aren't they?

6. Answer doorbell. It's the Snickers who are spoiling for a game of cards. Serve the bridge mix and tear up the card to Gerald.

7. When dummy, write a new card admitting chocolate kisses. These are being melted over boiling water by your 12-year-old daughter who makes fudge out of anything brown and sweet.

8. Fluff up remaining packages and write this: "I am sending you something that you might call a



few of Gerald's raisins for the hot cinnamon toast.
10. During Late, Late Show realize suddenly that potato chips will probably get rancid waiting in some country post office for delivery. Fill wooden bowl and serve.
11. Next morning, tear up the box and write this: "I am sending you something that you might call a

mouthful." Mail card promptly.

Letters

To the Editor

Japan Trial Better

Editor, The Wall Street Journal:

In view of all the emotion that has been raised about the international question whether Army Specialist Third Class William Girard should be tried by a Japanese court or an Army court martial, it seems to me that Girard loses even if he wins.

Girard might be better off if he were tried by the Japanese, for these reasons: The affair has caused such a furor that the Japanese were to try him. Girard doubtless would receive the most lenient sort of treatment, for the Japanese, having won their argument, would not wish to press their advantage to the point of seeming to be vengeful.

On the other hand, if Girard is tried by the Army in a court martial, the Army is likely to be as severe in its sentence as possible so as not to further anger the Japanese. Girard is still a pawn of foreign policy.

JAMES FRADAY

Fletcher, N. C.

Up and Down

Editor, The Wall Street Journal:

Your editorial "Girard and the Judges" (July 9) touched on the effect on morale of the armed forces overseas if the surrender of Soldier Girard to placate the Japanese should become standard operating procedure in foreign affairs.

I think not many people will question the fairness and reasonableness of turning over members of the armed forces to answer for acts committed while off duty in a foreign country. Soldiers ought to be no more free to violate a host country's laws than their own citizens or any visitors.

But it seems to me that when the Army has ruled that a man was on duty when he committed an act requiring investigation and possible punishment the Government ought for its own sake not to overrule the service whose uniform the man wears and to whom he is most responsible since that service can at any time order him into duties dangerous to life and limb—such as protecting a machine gun, camp or other installation which may come under attack from rioters inspired by Communist agitators as took place in the damaging of the American embassy on Formosa.

The reason the Government should not overrule the man's service's decision whether he was on or off duty goes beyond individual rights, important as they admittedly are. It endangers the morale of the military establishments because it strikes at the basic responsibility of the services to see justice done. It is called "loyalty up and loyalty down," and to the G.I. it means that he gets a square deal.

But if soldiers and sailors ever are faced with a situation where their officers tell them that they can no longer guarantee justice to them—that a determination of whether they were on duty when an act was committed is no longer the responsibility of their commanders but an elastic instrument of placation to foreign governments, then "loyalty up and loyalty down" is destroyed and so is the average G.I.'s morale.

HENRY PATRICK

Manhasset, N. Y.

Over-Assessed

Editor, The Wall Street Journal:

I have just read with interest the article appearing on the front page of your June 27 issue on the subject of "Property Tax Rises."

But if Mr. Madden thinks censorship is such a good idea, we wonder why he confines it to radio and TV. Many things appearing in print are every bit as much Communist propaganda as are these oral fulminations.

Think of all those lengthy, dreary, turgid Soviet diplomatic notes which newspapers either report or even print in full; they are full of attacks against the West and elaborately phony justifications of Communist policies.

By a logical extension of Mr. Madden's proposal it should be possible to dry up all news about the Red world.

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Britain's Own 'U.N.'

Meeting of Commonwealth Officials Underscores Changes
Taking Place in a Unique Association of Nations

By WILLIAM HENRY CHAMBERLIN

LONDON—The British Empire has shrunk enormously since the end of World War II, but it is still true that the sun never sets on the countries which remain in some form of political association with Great Britain.

The old-fashioned type of imperial rule over "lesser breeds without the law" is rapidly becoming a thing of the past. India, Pakistan, Burma and Ceylon are independent states. Ghana has become the first African colony to receive self-governing status. Nigeria and Malaya are knocking at the door for similar status. It will not be long before British imperial rule is restricted to very primitive and backward areas.

In place of that rule, though, has come a unique political organization which almost defies definition, the Commonwealth. The Commonwealth Prime Ministers have just held a conference here which put on world view once again this strange association of free nations, each sovereign as regards domestic legislation and foreign policy but bound together by the British Crown as an intangible symbol of unity and by certain ties of tradition and economic interest.

The Commonwealth, like many other British institutions, has experienced and is still experiencing evolutionary change. It started as an association of countries with a predominantly, or largely Anglo-Saxon background—Britain itself, Canada, Australia, New Zealand and South Africa. Now it has become multi-racial, with India, Pakistan and Ceylon as Asiatic members and Ghana as a representative of Africa.

A Special Objective

The periodic conferences of Commonwealth Ministers—usually held at annual intervals—aim at a private exchange of views, rather than at reaching hard-and-fast decisions. There is no agenda at these conferences and no detailed reports of the proceedings are published.

One special objective of the recent meeting was to bury the unhappy memory of the Suez adventure. This was made easier by two circumstances. For one, the change of government in Canada brought into power the Conservative party, which has always inclined to emphasize the importance of Canada's British connections.

And Prime Minister Nehru of India came to London in a rather subdued mood, partly because he is in desperate need of money to finance India's second five-year plan of industrial development and partly because he is on thin ice, morally and legally, in his Kashmir dispute with another Commonwealth member, Pakistan.

Britain's sharp reduction in conventional arms undoubtedly received consideration at the Commonwealth gathering, and economics and finance were also in the foreground.

One possible sequel of the meeting of Prime Ministers will be a special Commonwealth economic conference, an idea favored by the new Canadian Prime Minister, John Diefenbaker.

But current economic trends do not favor the realization of a pet idea of Britain's Canadian-born newspaper publisher, Lord Beaverbrook—special new preferential arrangements for trade between Britain and its overseas associates and dependencies.

Although the absence of exchange control within the sterling bloc, which comprises all Commonwealth members except Canada, facilitates inter-Commonwealth trade, the share of the Commonwealth members in British trade has been markedly declining.

French Assembly Votes
For European Common
Market, Atom PactProposal, If Approved by Six
Nations, Would Mean Gradual
Elimination of Tariffs

PARIS—(AP)—The French National Assembly endorsed the six-nation European Economic Union, including joint development of nuclear power.

The assembly ratified the scheme, 342-239, a majority of more than 100 votes. It sent the bill on to the Council of the Republic, or Senate, where little opposition is foreseen.

With a rare burst of speed, the Assembly rushed through a series of preliminary ballots to adopt each section of the bill separately.

In each case the majority was more than 100 except on the "Euratom" nuclear energy pool which was approved by 337-243, a margin of 94 votes.

The assembly's action reversed a tide which three years ago caused an equally ambitious plan for a European army, the European Defense Community, to die in a parliamentary committee. The decision yesterday opened a door to rapid progress toward economic union of France, West Germany, Italy, Belgium, Holland and Luxembourg—a long-standing goal of American foreign policy.

Just before yesterday's vote, Premier Maurice Bourges-Maunoury urged assemblymen to approve the accords to demonstrate the continuity of French foreign policy on behalf of European integration.

The whole French ratification process is scheduled for completion before the end of this month.

In Bonn, the West Germans are halfway through ratification and hope to complete it with approval from the Bundestat, or upper house, 10 days from now. Italy and the Benelux countries are scheduled to take action in the autumn.

If approved in those capitals, the common market and Euratom plans will be officially ushered into history next New Year's Day. This would mean, among other things, that the six nations would begin lowering their tariffs with an initial 10% cut January 1, 1959.

The treaty provides for the progressive elimination of tariffs within the new European Economic Community over a three-stage transitional period of from 12 to 15 years. At the same time, the member-states will gradually adopt a uniform tariff schedule on imports from non-member countries. Each transitional stage is set for four years, but can be extended as long as the whole transitional period does not exceed 15 years.

California Eastern May
Spin Off Subsidiaries
If CAB Approves Route

NEW YORK—If California Eastern Aviation, Inc., is successful in its pending application to the Civil Aeronautics Board for a certificate to fly between Dallas-Fort Worth and the West Coast, it will spin off its subsidiaries Land-Air, Inc., and Air Carrier Service Corp. into a new company, S. J. Solomon, president, told the New York Society of Security Analysts.

Mr. Solomon said that the new corporation would be called Aircraft, Inc., and that the capital stock of the new concern would be distributed pro-rata to California Eastern shareholders.

The proposed new airline, if certified, would retain the company's Airways and Flight Training Divisions. Capital to operate the new airline would be raised by a common stock issue "up to \$12.5 million, a part of the financing program," Mr. Solomon declared.

Operations of the entire company were profitable in the second quarter of 1957, Mr. Solomon told the analysts. He predicted further profitable operation for the balance of 1957.

Mr. Solomon stated that California Eastern planned to provide combination first-class and tourist service if granted a certificate.

Questioned about the estimated 1957 results, Mr. Solomon said that while he could make no definite forecast, net would be lower than in 1956, when earnings after taxes amounted to \$703,975.

Mr. Solomon expressed the opinion that the C.A.B. decision in the Dallas-West Coast case would not be handed down for about a year, but that he felt confident of favorable action by the Board.

Who's News

Commerce and Industry

Esterbrook Pen Co. (Camden, N. J.)—Edward B. Haden was named secretary, and Kenneth W. Gemmill was elected a director.

National Envelope Corp. (San Francisco)—Richard W. Gledhill was appointed vice president and general sales manager.

Northwest Airlines, Inc. (Washington)—Ted R. Gamble, president of the Mount Hood Radio and Television Broadcasting Corp., Portland, Ore., was elected a director.

Amcanaire Wire & Cable Co. (New York)—L. F. Hickernell was named vice president-engineering. Leonard L. Carter was appointed chief engineer, and Henry V. Van Valkenburg was named general sales manager.

Vick

U. S. Steel to Close
Donora, Pa., Zinc Mill
Around November 1

Official Says Plant Is No Longer
Competitive; Cites Obsolete
Furnaces, Ore Shortages

By a WALL STREET JOURNAL Staff Reporter
PITTSBURGH—United States Steel Corp. announced it will discontinue its zinc smelting operations around November 1 at the Donora, Pa., plant of its American Steel & Wire division. Built 42 years ago, the zinc works is no longer competitive, the company said.

Of the 850 men now employed at the zinc plant, 100 will be kept on the payroll to man the sulfuric acid plant, which will continue to be operated. The company promised "every effort" to locate jobs for the remaining 450 in other U. S. Steel plants or elsewhere.

Operation of the Donora steel and wire works will not be affected by the closing of the zinc smelting plant, according to L. F. McGillicuddy, district manager of operations of the division.

Mr. McGillicuddy said technological developments have outmoded the type of furnaces in operation at the zinc works, with plentiful supplies of zinc available at prices lower than the cost of manufacture at Donora. Acute shortages of the proper type ores also contributed to the company's decision to close the plant, he said.

Annual capacity of the zinc works is 70,000 net tons of slab zinc and 180,000 tons of sulfuric acid.

Retail Sales of Rambler Cars
Said to Hit Record for June

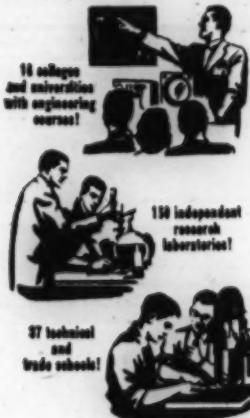
DETROIT—American Motors Corp. announced that retail sales of both its Rambler and Metropolitan passenger cars in June climbed to record levels.

In June 12,810 Ramblers were sold compared with 9,961 units during the previous month. For the fiscal year, which began October 1, 1956, the company reports Rambler sales totaled 87,631 units up to June 30, compared with 49,944 units for the like period last year.

Sales of the company's imported Metropolitans last month climbed to 1,473, compared with 722 for the year-ago period. During the final ten-day period of June, 678 Metropolitans were sold, compared with 311 during the similar ten-day period last year. In the first half of 1957, dealers sold 5,862 Metropolitans compared with 3,105 for the first six months in 1956.

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YOUR NEW PLANT
WITH ENGINEERING
AND TECHNICAL
KNOW-HOW!**

Ready sources of engineering and technical know-how and talent are a "must" for industry today. Locate your new plant in Central Eastern Pennsylvania and put top-level sources right at your finger tips.



A thirty-page report, Engineering and Technical Facilities in Central Eastern Pennsylvania and Adjacent Areas, is yours free. This informative pamphlet includes a handy map, locating the 52 major area colleges and universities in the general area, and highlights the 16 local schools offering engineering courses. Of these, ten colleges alone produce better than 6% of the nation's engineering graduates... a remarkable record and a real incentive for your locating in Central Eastern Pennsylvania.

Also covered in this interesting report are the research laboratories and description of the services they perform. These facilities are further supplemented by area colleges and universities, which boast long-established research programs and some of the finest research equipment available.

A third section of the report points up the technical and industrial educational institutions and private trade schools. The intensive vocational education programs in this area are evidenced in a listing of the many vocational educational courses available in the various local communities.

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plant requirements.
Then we send
you the free copy of
the report, we will
also forward com-
plete data on avail-
able sites that fit
your needs.

Write Area Development Division,
Pennsylvania Power & Light Company,
500 N. Hamilton Street, Allentown, Pa.

**Newsweek Surpassed All
General Weekly Magazines In
Advertising Page Gains During
The First Six Months of 1957**

Source: Publishers Information Bureau

*—a powerful testimonial to
Newsweek's com·mu·ni·ca'tive
audience (circulation now topping 1,100,000)*

com·mu·ni·ca'tive people
spark the chain reaction of public opinion



Communicative people are those with the dynamic capacity for influencing the opinions and actions of others in their home, business, social and community relationships.

NEWSWEEK is edited specifically to satisfy the wide-ranging interests and mature minds of communicative people. It not only gives them all important news clearly, accurately... objectively... but also in the light of its significance.

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the magazine for com·mu·ni·ca'tive people



Classified THE MART Advertising

NATIONAL BUSINESS EXCHANGE FOR PERSONNEL, PRODUCTS, SERVICES, AND IDEAS

Employers and Employees Meeting Place

POSITIONS AVAILABLE—MALE

PUBLIC RELATIONS EXECUTIVE

If you can qualify, here is an exceptional position. The man we are seeking must have . . . heavy experience in maintenance fund raising, a good appearance and the ability to meet successfully with outstanding people in the community. He will be directly responsible to the board of directors, and can command a top salary. Send resume for confidential consideration by our client . . . a major hospital in the southern California area.

MEREDITH WILEY & ASSOCIATES MANAGEMENT CONSULTANTS

727 W. 7th Street, Los Angeles 17, California

POSITIONS AVAILABLE—MALE

PRODUCTION ENGINEERING MANAGER

Manufacturing Executive, age 40-50 with thorough knowledge of processes, tooling and design of high temperature steel and advanced metal products. Responsibilities include direction of estimating, tool design, product design, process engineering and industrial engineering in a company with more than 1,000 employees. Supervisory experience of 8-10 years necessary with leadership qualifications established. Attractive salary and other benefits. Northeast Ohio. Principals only and all replies will be handled confidentially.

Box CS-86, The Wall Street Journal

711 West Monroe St., Chicago 90, Ill.

REGIONAL SALES MANAGER

for substantial heating and air conditioning manufacturer. Individual selected will headquartered in Atlanta area and cover South Eastern states. Requires experience in heating and air-conditioning, supervision of manufacturers agents and specification work with architects. Age 30-45. Attractive base salary and bonus incentive, company benefits. Write giving details of experience and availability for interview. Reply—

BOX A-85, THE WALL STREET JOURNAL

POSITION AVAILABLE

Manufacturer's Representative

Aggressive organization with Cleveland office desires additional line. Presently doing business with every major industrial manufacturer in northern Ohio. Quality of product and service is excellent. All architects and engineers of particular interest. All inquiries will be acknowledged promptly.

Box CT-170, The Wall Street Journal

POSITIONS AVAILABLE—MALE

SALES ENGINEER

Salesman

Architectural Background

Experienced in curtain-wall and window-wall building construction necessary. To represent manufacturer of architectural porcelain products.

THE ENAMEL PRODUCTS COMPANY

341 Eddy Road

Cleveland 8, Ohio

POSITIONS AVAILABLE—FEMALE

Gear Cutting Supervisor

Modern plant on eastern seaboard. Man 25 to 50 years of age to take complete charge of gear cutting. Must be thoroughly familiar with mathematical calculations, setting up and operating all types of gear equipment. Experienced in handling men.

Small job operation with all large company benefits. Firm established many years. Any well-qualified applicant will have good future in compensation and security.

Write, stating age, education, complete resume of experience and salary desired.

BOX A-61, THE WALL STREET JOURNAL

POSITIONS AVAILABLE—MALE

PRESIDENT NEEDS SALES BRAINS

Our growth and acquisition plans are based on the lack of sales managerial talent. Ours is a mechanical-electronic organization requiring a thorough knowledge of industrial products and strong capability for planning and implementing sales of both end products and contract manufacturing. We are clearly held to compensation arrangements are no problem if I can find a top level sales "partner."

Box A-71, The Wall Street Journal

POSITIONS AVAILABLE—MALE

SALES MANAGER

This is an outstanding opportunity for the right man to take charge of operating and financial budget program with \$20,000,000 in sales. Manufacturer of electronic components. Box A-53, The Wall Street Journal

INDUSTRIAL RELATIONS MANAGER

For a 500 employee company on Staten Island. This position offers opportunity to develop and administer a well-rounded personnel program, with emphasis on the employment salary administration, labor relations, and other functions. Starting salary to \$10,000, depending on experience. Please submit complete resume.

Box A-21, The Wall Street Journal

ADVERTISING MANAGER

Young, expanding financial publication, N.Y. City. Attractive deal and ground-floor opportunity for ambitious go-getter, age 28 to 40. Our staff knows of this ad. Send resume of your experience.

Box Y-192, The Wall Street Journal

PRODUCTION MANAGER

Experienced chemical engineer to run large plating & electro forming plant for one of the largest & oldest companies in this field. Salary commensurate with ability.

Box A-59, The Wall Street Journal

RETIRED BANKER

Interesting work in the nation's fastest growing field of finance. EQUIPMENT LEASING. Complete information to

Box A-67, The Wall Street Journal

SALES MAN

Industrial products, leading manufacturer, all benefits, salary and incentive. Submit resume for interview.

Box Y-175, The Wall Street Journal

NATIONAL FOODS SALES MGR.

Outstanding job for College man (35-42) exp. as Nat'l Sales Mgr. in Frozen Foods. To \$30,000. Fee & Royalties paid by employer. See Detailed Exp. record and resume to

Employers' Services Bureau, (Lie.) 404 Merchants Bank Bldg., Indianapolis, Ind.

Management executive with management consultant experience preferred. Existing firm with diversified interests. 25 to 40 years. Start \$30,000 to \$12,000. United States Car Testing Co., 5337 W. 3rd St., Dayton 7, Ohio.

NOTICE — Correspondence to all blind box numbers that appear within an ad. address should be mailed to Box No. 44, THE WALL STREET JOURNAL, 44 Broad Street, New York 4, N. Y.

CHIEF INDUSTRIAL ENGINEER.

Outstanding opportunity to join an aggressive management team to supervise a plant of industrial engineering program with \$20,000,000 food processing company in Atlanta, Ga. and ideal candidate is 35 to 40, has college degree, and has proved himself as a man who can get results. Please submit resume and salary requirements.

Box A-50, The Wall Street Journal

POSITIONS WANTED—MALE

FIELD SALES REPRESENTATIVE

For small or medium size growth firm selling to top management. Can merchandise ideas—not simply products or prices, sell benefits—not features. Can and likes to solve sales problems—wants to get off seat of his pants, to do it. Last five and one half years in present sales management position in New York City, but prefers incentives of field sales. Likes to persuade others; will rise to bait of really big challenge.

Free to relocate or travel, 37, married, M.A. psychology.

Box Q-246, The Wall Street Journal

BUSINESS SERVICE

QUALIFIED MANUFACTURERS' AGENT

Sales executive (under 30) with 27 years experience in sales and sales management, seeks firm or agency to represent select group of top grade manufacturers to industry.

Products could include metal strip, coil, rod, tubing, wire; castings, forgings, screw machine products, deep drawing, stampings, cold drawing, plastic molding; or associated materials, parts or assemblies.

Desirous of negotiating with well known firms on an exclusive basis.

Write for details.

Box A-52, The Wall Street Journal

BUSINESS OPPORTUNITIES

BUSINESS OPPORTUNITIES

SOMETHING MISSING

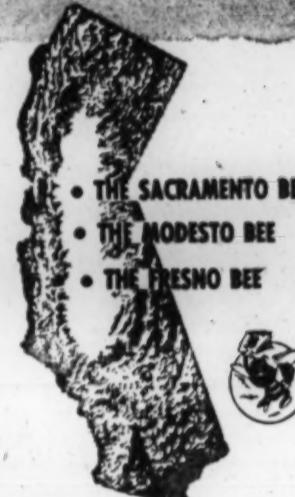


...LIKE CALIFORNIA WITHOUT
THE BILLION-DOLLAR
VALLEY OF THE BEES

- ✓ Actually, effective buying income of more than \$2.7 billion
- ✓ TRIPLE the retail sales of Worcester (Mass.) metropolitan area
- ✓ Not covered by San Francisco and Los Angeles newspapers

The 3 Bee newspapers help you climb sales mountains in California—and take your product message into the prosperous Inland Valley. Removed from Coast influences by mountains, Valley families read and shop from their own local Bee newspapers.

Data Source: Sales Management's 1957 Copyrighted Survey



MCCLATCHY NEWSPAPERS

SACRAMENTO, CALIFORNIA
or contact our national advertising representatives, O'Mara & Ormsbee
offices in New York, Chicago, Detroit, San Francisco, Los Angeles



KEOKUK SILVERY PIG IRON

SALES AGENT: MILLER AND COMPANY

322 S. Michigan Ave., Chicago 4, Illinois
3304 Carew Tower, Cincinnati 2, Ohio
8030 Forstyth Blvd., St. Louis 24, Missouri

Keokuk Silvery Pig Iron is available in 60 and 100 lb. pigs and 15/16 lb. bars in standard sizes or alloyed to your specifications. Silicon metal and ferro-silicon are supplied in standard sizes and analyses.

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operational costs!

Until recently most banks used deposit systems that involved up to 14 distinct steps. Since then many of these institutions have turned to Baltimore Business Forms for bank-form advice and assistance. By doing so they cut the 14-step operation down to 4. The advice has meant up to thousands of dollars saved for each of these banks.

There are still many ways to reduce operational costs through better business forms planning. Call your Baltimore Business Forms representative listed in the Yellow Pages or write direct to: THE BALTIMORE BUSINESS FORMS CO., Dept. A, 3150 Frederick Ave., Baltimore 29, Md.

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Saving time and reducing costs in business and industry

C & C Super Sets Vote
On Reorganization,
Spin-Off of Units

It Would Devote Itself to TV,
National Phoenix to Food, Beverage, Manufacturing

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—A reorganization of C & C Super Corp. with a spin-off of its food and beverage and manufacturing operations will be voted on at a special stockholders meeting July 29 at Wilmington, Del.

Stockholders also will be asked to approve a change in the corporation's name to C & C Television Corp., a decrease in the number of directors to eight from 13, and an amendment of the outstanding options relating to the common stock.

The presence by person or by proxy of the holders of at least 40% of the 8,178,715 outstanding common shares is required for the meeting to act on all the proposals, except the proposal to decrease the number of directors which requires approval of a majority of the shares.

A proxy statement being mailed to shareholders states the corporation proposes to "devote itself solely to its television operations and that all its food, beverage and manufacturing operations be carried on by National Phoenix Industries, Inc., a wholly-owned subsidiary and that all the capital stock of National Phoenix be distributed to the stockholders of the corporation."

In the spin-off, C & C Super proposes to distribute to its shareholders 4,080,357 common shares of National Phoenix on the basis of one share of National Phoenix for each two shares of C & C Super common held. National Phoenix now has outstanding 10,000 shares of preferred stock and 300,000 shares of common, all of which are held by C & C Super. In the transaction, the preferred stock will be canceled and 3,789,357 additional shares of common will be issued.

C & C Super also will assign to National Phoenix the assets of C & C Super's Lorraine Manufacturing and Power Products and Nedick's divisions, and National Phoenix will assume the liabilities of these divisions. In some cases, however, it is not possible for C & C Super to divest itself completely of such liabilities and National Phoenix will undertake to indemnify C & C Super against all liabilities assumed by it.

National Phoenix will continue to manufacture its food and beverage products such as C & C Super Cola soft drinks, "Batter-up," Nedick's orange concentrate and soda, and Cantrell & Cochran's ginger ale, club soda and syrups. It has plants at Englewood, N.J., and Los Angeles, Calif.

The Lorraine Manufacturing division produces rubber specialties for the armed forces, airplane manufacturers, and electronic, automobile and other firms using bonded metal and rubber parts. It has plants at Maywood, N.J., and Lake Alfred, Fla.

The power products division produces a paint spray gun and other products at Englewood, N.J.

The corporation's television operations are carried on through its Western Television division and three subsidiary corporations, between 50.4% and 51% of the capital stock of each of which is held by C & C Super. These include: C & C Pan Atlantic TV Co., C & C International Film Corp., and C & C Television Corp. (the name of which will be changed to C & C Films, Inc., in the reorganization).

C & C Super originally acquired Western Television in order to permit C & C Super to use television spot time which Western had acquired through the exploitation of its own library of feature motion pictures. C & C Super used this spot time to advertise its products, and also commenced to license excess spot time to other companies.

The proxy statement said Western Television is "still exploiting its film library" and converting some of its slower accounts into currently available TV spot time which is sold for cash to other companies. "It is expected that this activity will be accelerated during the ensuing year through the added exploitation of Minutes of Prayer films owned by Western Television," the statement said.

It stated, with the demand for TV advertising by most large companies "it is reasonable to expect that the television operations of the corporation should experience a comparatively rapid growth in volume and earnings." It added that the food, beverage and manufacturing operations of the corporation, which are mostly in the development stage, will undergo a somewhat slower growth.

According to the statement, the proposed reorganization has the approval of the First National Bank of Boston and Pathe Laboratories, Inc. These are the only creditors whose consent is required to permit the proposed reorganization.

In the year ended December 31, 1956, C & C Super and consolidated subsidiaries had total operating revenues of \$10,464,725 and net loss of \$1,594,764. The special meeting of the company has been called in lieu of the annual meeting.

KERN COUNTY LAND
KERN COUNTY LAND CO. reports gross oil royalties received from its California lands:

May	\$137,000	1556
Five months	938,000	5,000

1957 1556

1956 5,000

1955 5,000

1954 5,000

1953 5,000

1952 5,000

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downtown Boston, on suburban Beacon St. 200
rooms with private bath, radio, Air conditioning.

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AIR LINES

Dividend News

Lukens Steel Co. declared an extra dividend of 80 cents and a regular quarterly dividend of 10 cents, both payable August 15, record July 31. This brings the company's dividends declared thus far in 1957 to a total of \$2.50. It previously paid two quarterly dividends of 10 cents each, plus a 60-cent extra in February and an 80-cent extra in May. In 1956 the firm paid a total of \$6 a share in the full year, or \$2 on the shares now outstanding, after adjustment for the three-for-one stock split of January 4, 1957.

Master Electric Co. directors declared 20 cents on the common stock, payable July 29 to stock of record July 18. E. P. Larsh, chairman, called this a special dividend in contemplation of the previously proposed merger of Master Electric Co. and Reliance Electric & Engineering Co. Shareholders of both firms will vote on the merger July 19. Master Electric Co. had been paying 30 cents quarterly on the common stock.

Minute Maid Corp. directors voted to take no action on the common dividend usually due at this time. In May the company cut it payment to 10 cents from the 20 cents paid in prior quarters.

Dividends Reported July 9

Company	Period Amt.	Payable Recd.
Allied Controls	\$.25	8-1-57 7-2-57
Allied Controls pf	\$.14	8-1-57 7-2-57
Brown Shoe	Q .55	9-3-57 9-15
City Stores	Q .25	8-1-57 7-2-57
City Stores 41 1/2% pf	Q 1.081	8-1-57 7-19
Cont'l Transport. Lines	Q .175	8-1-57 7-12
Datsun Transit	Q .081	8-1-57 7-19
Datsun Trans. 7% pf	Q 1.25	8-1-57 7-19
Dreyfus Fund	k.17	7-30-57 7-18
(k) 14 cents from net realized capital gains and 2 cents from earned income.		
Frank N. D. Fran Bu. Li. Q	.33	8-1-57 7-13
Globe Telescating	Q .40	8-9-57 7-11
Intl. Resistance	Q .05	9-3-57 8-15
Kansas Power & Light	Q .251	8-1-57 7-19
Kansas Power & Li. 4 1/2%	Q 1.081	8-1-57 7-19
Kansas Power & Li. 4 1/2% pf	Q 1.121	10-1-57 9-8
Kansas Power & Li. 5%	Q 1.25	10-1-57 9-8
Kansas Power & Li. 5% pf	Q .25	10-1-57 7-19
Kragge (S.S.) Co.	Q .49	9-12-57 8-20
Lukens Steel Co.	Ext. .50	8-15-57 7-2-57
U.S. Marine Corp.	Sn .25	8-1-57 7-18
Melville Shoe Corp.	Q .55	8-1-57 7-19
Melville Sh. C. 4 1/2% pf A Q	1.081	9-1-57 8-17
Melville Sh. C. 4 1/2% pf B	1.081	9-1-57 8-16
Merchandise & Mfg. Ins. NY S	Q .33	8-30-57 8-13
Minneapolis & St. Louis Ry Q	.33	8-30-57 8-13
Minutiae Maid		
Monogram Airlines	Q .22	7-29-57 7-19
North City Bldg. of Cleve	Q .68	8-1-57 7-18
Noranda Mines Ltd.	Q .50	9-16-57 8-15
Northwest Airlines	Q .25	8-1-57 7-15
Northwest Airlines 5% cv pref. Q	1.081	7-29-57 7-19
Pacific Lighting	Q .50	8-15-57 7-21
Pope & Talbot	Q .071	8-15-57 7-21
Prudential Cosmopolitan	Q .50	8-15-57 7-21
Public Serv. Co. N. M.	Q .29	8-15-57 8-1
P. S. Co. N. M. 3% pf. A	Q .25	9-16-57 9-2
Rhinebeck Oil Co.	Q .75	8-18-57 8-21
Stars Biscuit & Co.	Q .25	10-1-57 7-23
Security Banknote	Q .70	7-21-57 7-21
Skelly Oil	Q .45	9-3-57 7-20
Stevens & Ellery & Sons	Q .25	9-18-57 8-21
Wilkus Laboratories 5% pf Q	.25	8-15-57 7-19
Western Air Lines	Q .25	8-15-57 7-19

Company	Period Amt.	Payable Recd.
Amer. Distillers	Q .25	7-21-57 7-15
Brewing	Q .25	7-21-57 7-15
Hill Corp. of Amer. 40 1/2% pf Q	3.61	7-15
Interchemical Corp.	Q .85	8-1-57 7-15
Kansas Corp. 5% pf	Q 1.081	8-1-57 7-15
Pitts' Metalurgical	(v)	7-10-57 6-25
Pitts' Stock distribution—One additional share of capital stock \$1.25 par value, for each share held. Due-bills redeemable July 16.		
Roan Ant. Ld (Am Shs) N F	.17	7-26-57 7-16
Roosevelt Raceway	(w)	7-10-57 6-14
— Distribution of nine additional shares of capital stock, par value changed to 30 cents for each share held. Due-bills redeemable July 16.		
Seiton Leather	.25	8-1-57 7-16
— Unchanged from previous year. Increased dividends available.		
A. annual Ac. accumulations; E. extra; F. final; G. interim; In. initial; L. liquidation; M. monthly; Q. regular quarterly; R. resumed; S. semi-annual; Sp. special.		

Stocks Ex-Dividend July 11

Company	Period Amt.	Payable Recd.
Amer. Distillers	Q .25	7-21-57 7-15
Brewing	Q .25	7-21-57 7-15
Hill Corp. of Amer. 40 1/2% pf Q	3.61	7-15
Interchemical Corp.	Q .85	8-1-57 7-15
Kansas Corp. 5% pf	Q 1.081	8-1-57 7-15
Pitts' Metalurgical	(v)	7-10-57 6-25
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Florida Power & Light's Wildcat Strike Spreads To Daytona Beach Area

By WALL STREET JOURNAL Staff Reporter

MIAMI—The wildcat strike of distribution and transmission workers at Florida Power & Light Co. spread from the Miami and Fort Lauderdale areas to Daytona Beach.

A company spokesman said more than half the union workers in the Daytona Beach local of the International Brotherhood of Electrical Workers, which has about 125 members, failed to report to work.

Florida's Governor Leroy Collins has appointed Alan S. Boyd, chairman of the Railroad and Public Utilities Commission, as his personal representative to investigate methods of settling the unauthorized walkout.

McGregor Smith, Florida Power & Light chairman, and union representatives have been conducting unofficial discussions aimed at ending the strike. A spokesman for the workers said the walkout resulted from the company's failure to fire a supervisor at Fort Lauderdale and its "slowness in arbitrating grievances." Mr. Smith, according to a company spokesman, told the union representatives that the company considered the "hiring or firing of supervisory personnel a management prerogative."

The strike began last Friday when about 1,000 workers failed to report to work in the Miami and Fort Lauderdale areas. Union officials said the walkout is unauthorized and have urged workers to return to their jobs.

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Buying of Furniture Reported Above 1956 At Show in New York

Attendance Lower Than Last Year But Spokesman for Exchange Expects "Good Market"

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—Buying apparently is up although attendance is lower than last year at the annual summer furniture market here.

Talks with exhibitors of some of the furniture items from bars to bassinets filling 18 floors of the New York Furniture Exchange building indicated increased interest among the buyers and retailers choosing their fall lines. Official figures showed buyer registration for the first day and a half at 5,385, or 211 less than had registered by that time last year.

"We are expecting a good market," an exchange spokesman said. "Attendance so far is almost equal to last year and we know these people are buying. They just don't bother to come if they're not."

Albert Kapp, vice president of United Furniture Co., Lexington, N. C., said ordering of his company's products was "up over last year" with particularly high interest in Colonial and Far East styles of bedroom furniture. Albert Farr, vice president of Wieman Co., Rockford, Ill., added that "the market in quality furniture," in particular, "is better than last year."

Other exhibitors agreed that there was an unexpected interest in Colonial furniture styles, but that "transitional" and "modern" designs were setting the selling pace. Colonial furniture is usually made of stained maple with scrollwork around the edges. The "transitional" style incorporates features of both traditional and modern furniture types, while the Far East lines are usually of dark color, sometimes featuring inlaid designs.

The New York summer furniture market is one of several regional furniture shows held after the close of the big midyear market in Chicago in June.

Aeroxox Expects Net Profit In 1st Half Despite Sales Drop

NEW BEDFORD, Mass.—Although sales of Aeroxox Corp. in the first half were less than a year ago, it was a good period and the company will report a good profit, W. M. Owen, president, said.

Mr. Owen noted the company got off to an improved start this year, with a March quarter profit of \$201,000, or 23 cents a share, on sales of \$5,629,000, compared with a profit of \$3,600 on sales of \$6,584,000 a year earlier.

For the first half of 1956 the company had a loss of \$53,378 on sales of \$12,090,000. For the year 1955 Aeroxox had a loss of \$90,900, the only red ink year in its history, on sales of \$25,096,000.

Mr. Owen said the improved earnings despite lower volume reflected operating economies and discontinuance of some unprofitable lines of capacitors and resistors. In the plant here as many as 5,000 separate items are made at one time.

Sterling National

Sterling National Bank & Trust Co. (New York): Principal items from the bank's statement as of June 30, 1957, compared with June 30, 1956:

Loans & discounts \$75,635 \$72,913

U. S. Govt. securities 35,606 35,684

Deposits 132,451 132,451

Cap. surp. & undv. prof. 11,573 11,529

Chain Store Sales

Miller-Wohl Sales

MILLER-WOHL CO. report sales:

1957 1956 Changes %

June \$3,294,725 \$3,432,441 - \$138,700 4.4

11 months 36,827,555 35,578,643 + \$1,249,912 3.4

McLellan Stores Sales

MCLELLAN STORES CO. reports sales:

1957 1956 Changes %

June \$4,610,236 \$4,662,679 - \$52,443 5.5

6 months 25,160,471 25,429,753 - 269,282 1.0

G. R. Kinney Sales

G. R. KINNEY CO. reports sales:

1957 1956 Changes %

June \$11,174,000 \$11,364,000 - \$190,000 1.7

5 months 35,613,000 32,831,000 + 2,781,000 5.2

Mercantile Stores Sales

MERCANTILE STORES, INC. reports sales:

1957 1956 Changes %

June \$11,705,071 \$12,822,558 + \$1,117,487 8.5

5 months 36,255,000 32,731,000 + 3,524,000 10.6

Diana Stores Sales

DIANA STORES CORP. reports sales:

1957 1956 Changes %

June \$3,520,071 \$3,630,000 + \$110,929 3.1

6 months 20,786,213 20,682,565 + 103,647 0.5

J. J. Newberry Sales

J. J. NEWBERRY CO. reports sales:

1957 1956 Changes %

June \$16,217,998 \$15,500,338 + \$717,660 4.5

5 months 48,743,413 43,143,335 + 5,600,277 5.6

Strs. in oper. 473 476

Five months 24,981,629 25,319,348 - 277,519 0.9

Grand Union Sales

GRAND UNION CO. reports sales:

1957 1956 Changes %

4 wks June 29 \$32,820,112 \$29,485,070 + \$3,335,042 10.7

17 wks June 29 134,769,625 116,220,159 + 18,549,466 13.0

Interstate Department Store Sales

INTERSTATE DEPARTMENT STORES, INC. reports sales:

1957 1956 Changes %

June \$25,217,998 \$25,500,338 - \$282,381 3.2

5 months 24,881,829 25,219,348 - 277,519 0.9

G. C. Murphy Sales

G. C. MURPHY CO. reports sales:

1957 1956 Changes %

June \$17,263,388 \$18,020,708 - \$757,320 4.2

6 months 38,930,390 36,772,181 + 2,458,209 2.8

Strs. in Oper. 314 302

W. T. Grant Sales

W. T. GRANT CO. reports sales:

1957 1956 Changes %

June \$32,905,960 \$32,510,519 + \$395,441 1.2

6 months 169,093,386 154,444,546 + 14,648,830 9.3

Lerner Stores Sales

LERNER STORES CORP. reports sales:

1957 1956 Changes %

June \$14,714,265 \$14,245,630 + \$468,635 2.3

5 months 70,478,496 \$4,495,633 + 5,982,863 9.3

Western Auto Sales

WESTERN AUTO SUPPLY CO. reports sales:

1957 1956 Changes %

June \$22,086,000 \$20,480,000 + \$1,606,000 7.8

6 months 103,345,000 97,806,000 + 5,539,000 5.7

American & Foreign Power

AMERICAN & FOREIGN POWER CO. and subsidiaries (excluding Argentine subsidiaries) report for quarter ended March 31:

1957 1956 Changes %

Earned per share \$1.31 \$1.41

Capital stock \$10,532,000 \$10,532,000

a-Bal. subs. earn for A&FP 5,012,083 4,917,913

b-Net income 2,350,581 2,972,000

Capital shares 7,312,306 7,324,238

Twelve months ended March 31:

Earned per share \$1.31 \$1.41

Expend. revenues of subsidiaries 209,710,496 179,817,595

a-Bal. subs. earn for A&FP 23,355,731 24,399,508

b-Net income 14,582,974 15,829,905

a-Aff. subs. dividends, taxes and interest, preferred dividends, etc., b-Bal. taxes and charges of American & Foreign Power Co., Inc.

Pitts. & Lake Erie

PITTSBURGH & LAKES ERIE RAILROAD (controlled by New York Central Railways):

1957 1956 Changes %

June Gross \$3,427,149 4,029,675 - \$602,526

Operating income 3,221,700 3,821,773 - \$600,073

b-Net income 805,581 770,653

Six months gross 22,915,073 22,763,778

Net operating income 4,844,615 5,784,207

b-Net income 1,318,146 1,338,421

a-Four six months ended June 30, based on 863,826 shares of capital stock. b-After taxes and charges.

PEAK OF PROFIT for your savings

3 1/4 % a year

QUARTERLY

Money deposited on or before JULY 15 will earn dividends from JULY 1

After July 15 Dividends from DAY OF DEPOSIT

THE WILLIAMSBURGH SAVINGS BANK

Central Office: 1 Hanson Place at Flatbush Ave.

6th Street Office: 6th Street and 23rd Ave.

Williamsburgh Office: 175 Broadway at Driggs Ave.

New Lots Office: New Lots and Pennsylvania Ave.

Brooklyn, New York

Member Federal Deposit Insurance Corporation

—PHONE ULSTER 7-9100 OR MAIL THIS COUPON—

The Williamsburgh Savings Bank

1 Hanson Place, Brooklyn, N. Y.

Enclose \$ _____ I wish to open a savings account as checked below. (Your account will be opened and bank book sent to you by return mail.)

Individual Account

This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities.
The offering is made only by the Prospectus.

NEW ISSUE

July 10, 1957

\$15,000,000

Central Illinois Light Company

First Mortgage Bonds, 4 1/8% Series due 1987

Dated July 1, 1957

Due July 1, 1987

Price 100.80% and accrued interest

Copies of the Prospectus may be obtained from such of the several underwriters as are registered dealers in securities in this State.

The First Boston Corporation

Drexel & Co.

F. S. Moseley & Co.

Hayden, Stone & Co.

Laurence M. Marks & Co.

Paine, Webber, Jackson & Curtis

Schoellkopf, Hutton & Pomeroy, Inc.

Wood, Struthers & Co.

Parrish & Co.

Fahnestock & Co.

This advertisement appears as a matter of record only.

NEW ISSUE

\$2,500,000

American Machine and Metals, Inc.

Promissory Notes

Due July 1, 1959 to July 1, 1973

Private placement of these Notes has been negotiated by the undersigned.

American Securities Corporation

NEW YORK

BOSTON

HARTFORD

PHILADELPHIA

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

NEW ISSUE

July 10, 1957

60,000 Shares

EPSCO, INCORPORATED

Common Stock

(Without Par Value)

Price \$16 per Share

Copies of the Prospectus may be obtained in any State only from such of the several underwriters, including the undersigned, as may lawfully offer the securities in such State.

W. C. Langley & Co.

STATEMENT OF CONDITION

June 6th, 1957

RESOURCES

Cash and Due from Banks	\$ 58,728,483.06
United States Government Obligations	57,427,860.92
Securities of Federal Agencies	3,226,012.35
State, County and Municipal Bonds	17,368,967.75
Federal Reserve Bank Stock	360,000.00
Other Bonds and Securities	1,515,767.29
Loans and Discounts	104,535,412.33
Banking Houses, Furniture and Fixtures	2,598,489.31
Interest and Exchange Accrued	486,595.77
Acceptances and Letters of Credit	461,279.33
Other Assets	141,682.23
TOTAL	\$246,850,550.34

LIABILITIES

Capital Stock	\$ 6,000,000.00
Surplus	6,000,000.00
Undivided Profit	2,217,486.45
Reserves for Loans and Discounts—Unallocated	3,376,012.85
Reserve for Interest, Taxes, etc.	2,911,807.24
Bills Payable	9,000,000.00
Acceptances and Letters of Credit	461,279.33
Deposits	216,883,964.47
TOTAL	\$246,850,550.34

FIRST
AMERICAN
NATIONAL BANK
NASHVILLE

Tax Exempts

Municipal Bond Sales
Totaled \$382 Million
In June, Low for Year

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—Sales of municipal bonds in June totaled \$382 million, the smallest volume for any month this year, the Investment Bankers Association of America reported.

Despite the slackening pace of tax-exempt bond sales, the I.B.A. said almost \$3.4 billion in municipal securities were sold in the first six months of 1957. This represents a seasonally adjusted annual rate of about \$4.5 billion and exceeds every post-war year except 1954, the I.B.A. stated in its monthly bulletin.

School bonds sold in June amounted to \$131 million, bringing the six-month total of school bonds to more than \$1.2 billion and an all-time first half record, the I.B.A. said.

Noting that June is normally one of the largest volume months in municipal bond sales, the I.B.A. reported that the small volume in the month was probably caused by the sharp rise in interest costs during June. The median yield on 20-year maturities of new issues was about 25 basis points higher in June than in May.

A stabilization or decline, in "interest costs during the third quarter could result in a much larger than normal volume of third quarter sales," the I.B.A. said.

"Sharply rising yields were reflected in the fact that \$68.2 million in municipal bonds offered for sale in June were not sold," the report said. This brings the cumulative total of bonds offered since July 1, 1956, but not sold to \$350 million.

Southern California
Unit Sells \$15 Million
Issue at 3.2037% Cost

By a WALL STREET JOURNAL Staff Reporter
LOS ANGELES—The Metropolitan Water District of Southern California sold \$15 million in bonds to a syndicate managed by Harris Trust & Savings Bank and Bankers Trust Co.

The group topped three other syndicates with a bid of 100.029% for a combination of 3 1/4% and 3% coupons, settling a net borrowing cost to the district of 3.2037%.

The securities were reoffered priced to yield from 2.50% for the August 1, 1958, maturities out to 3.20% in 1969. Late yesterday a spokesman for the group said the issue was "more than half sold."

The district will use proceeds from the sale to construct additional water works facilities.

On its last trip to the tax-exempt market on February 14, 1956, the district sold \$7,318,000 bonds, due March 1, 1957-81, at a 2.24% net interest cost. At that time the Dow-Jones municipal index showed a 2.45% average yield, compared with the present 3.44%.

Blyth Group Makes High Bid
On Fresno City School Issue

Blyth & Co., Inc., and associates submitted the best offer for \$7 million Fresno City, Calif., Unified School District bonds.

The group set a net interest cost of 3.3109% for a combination of 5%, 3% and 3 1/4% coupons. The securities were reoffered, subject to award, at prices to yield from 2.70% on July 1, 1960, out to 3.35% in 1977.

Rock Island County, Ill., School District No. 41 sold \$1,800,000 bonds to Mercantile Trust Co., St. Louis, and associates.

The syndicate bid 100.086 for 4s and 3 1/2s, fixing a net interest cost to the district of 3.588%. The bonds were reoffered priced to yield from 2.50% for the December 1, 1958, maturities out to 3.50% in 1976.

Knoxville, Tenn., received no bids on the \$1,700,000 improvement bonds it put up for sale. The securities were scheduled to mature July 1, 1958-77.

Local Housing Authorities
Sell 89 Short-Term Issues

WASHINGTON—Public Housing Commissioner Charles E. Slusser announced results of the competitive sale of \$77,669,000 in 89 issues of short-term loan notes by 86 local housing authorities. The interest rates ranged from 1.96% to 2.58%, with the average rate for all notes 2.214% compared with the average of 2.212% obtained on the last sale on June 11.

Notes were awarded as follows: Chemical Corn Exchange Bank \$58,159,000; Solomon Bros. & Hutzler, \$3,711,000; Hanover Bank, \$3,369,000; Guaranty Trust Co., \$2,513,000; J. P. Morgan & Co., \$2,400,000; and other amounts to other purchasers.

Phoenix, Ariz., Plans Issue

PHOENIX, Ariz.—The City of Phoenix will open bids July 31 for \$6 million of various purpose bonds.

Bond Markets

Long-Term Treasurys Ease in Dull Trading;
Municipals Are Higher

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Long-term U. S. Government bonds eased in dull bond dealings.

Some traders closed the 3 1/4s of June 15, 1978-83 at 94-20-32 bid, off 12-32. The 40-year 3s were 88-28-32 bid, off 8-32, and the Victory Loan 2 1/2s of December 15, 1967-72 were bid at 87-16-32, off 2-32.

Investment grade corporate issues wavered in price, sinking fractionally around noon and winding up the day virtually even with Monday's close. Volume was small.

Rails again were inactive, with some easiness, particularly in Missouri Pacific lines.

The municipal market continued to reflect cautious optimism on the part of inventory-laden dealers. Bidding for new issues was spirited. Traders said retail response to the cluster of new bonds coming on the market this week would determine whether the broad advance in prices of the last week would continue. Revenue bonds were somewhat easier. Convertible bonds were mostly lower, although Burroughs 4 1/2s and Daystrom 4 1/2s were upside exceptions.

Foreign bonds were generally a bit lower, with fair volume.

Allegheny Ludlum Increases
Specialty Steels by 4%

PITTSBURGH—Increases averaging about 4% in base prices of electrical steel grades were announced by Allegheny Ludlum Steel Corp. The company is a major producer of

these specialty grades, which are used in the manufacture of transformers, electrical instruments, computers, magnetic core equipment, communications equipment and other electrical devices.

Extra charges on the electrical specialty grades also were increased.

Jersey Central Power & Light
NEW YORK—Jersey Central Power & Light Co. will send its \$15 million of first mortgage bonds to market July 18. C. E. Kohlhepp, president, said bids for the 30-year securities will be returnable, here, until 11 a. m. on that date.

STATEMENT OF CONDITION



ADMINISTRATIVE
HEADQUARTERS:
1 MONTGOMERY STREET
SAN FRANCISCO 20

ASSETS	LIABILITIES	
	June 30, 1957	June 30, 1956
CASH AND SECURITIES		
Cash and Due from Banks	\$ 232,534,737.45	\$ 260,231,087.75
U. S. Government Securities	324,627,232.94	363,112,783.23
State and Municipal Securities	86,084,178.11	83,993,304.78
Other Bonds and Securities	9,924,057.72	16,798,761.46
TOTAL	\$ 652,970,206.22	\$ 724,135,937.22
LOANS		
Commercial Loans	\$ 359,487,022.12	\$ 311,211,220.62
Real Estate Loans	264,026,134.35	242,786,124.77
Automobile Installment Loans	92,783,821.57	95,079,348.49
Personal & Improvement Loans	62,260,588.45	48,762,080.03
	\$ 778,557,566.49	\$ 697,838,773.93
Less: Reserve for Possible Losses	10,461,946.02	8,440,860.37
TOTAL	\$ 768,095,620.47	\$ 689,397,913.56
OTHER ASSETS		
Accrued Income Receivable	\$ 5,006,587.81	\$ 4,962,818.73
Stock in Federal Reserve Bank	2,490,000.00	2,430,000.00
Bank Premises and Equipment	17,408,231.71	15,830,621.58
Other Real Estate Owned	8,613.68	12,604.00
Customers' Liability under Letters of Credit and Acceptances	15,536,660.26	13,991,878.00
Other Assets	5,982,181.15	1,419,732.95
TOTAL ASSETS	\$ 46,432,274.61	\$ 38,647,655.26
TOTAL LIABILITIES	\$ 146,798,101.30	\$ 142,181,506.04

On June 30, 1957, securities carried at \$215,255,141.19 were pledged to secure trust deposits, United States Government and other public deposits, as required by law. On June 30, 1956, securities so pledged amounted to \$229,132,518.50.

Member Federal Reserve System • Member Federal Deposit Insurance Corporation

Interest exempt from all present Federal Income Taxes.
We offer, subject to prior sale
\$415,000
City of
Los Angeles, Cal.
Department of Water and Power
1½% Electric Revenue Bonds
Due April 1, 1960
To yield 3.30%*
*Equivalent to a net taxable return of
approximately 2.85% after payment of 25%
Federal Capital Gains Tax.
Rated "Aa" by Moody's Investor Service
Rated "AA" by Standard & Poor's Corpora-
tion
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STATE - MUNICIPAL
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PUBLIC REVENUE BONDS
RAILROAD - PUBLIC UTILITY
INDUSTRIAL BONDS
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for investors

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Revenue Bonds
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Whitehall 4-3432 Tel: NY 1-533

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NCB TRAVELERS CHECKS
Spending everywhere Backed by
THE FIRST NATIONAL CITY BANK
of NEW YORK
Member Federal Deposit Insurance Corporation

Lukens Indicated Sales,
Net in 2nd Period Were
Well Above '56 Quarter

But Totals for Fiscal Period Tailed
First Quarter; Demand for
Products Called Still Strong

By a WALL STREET JOURNAL Staff Reporter
COATESVILLE, Pa.—Indicated sales and net income of Lukens Steel Co. for the second fiscal period of 1957 dipped below first quarter results, but ran well ahead of like 1956 figures. The company reported sales for the 24 weeks ended June 15, 1957, totaled \$61,687,489 and yielded after-tax net income of \$5,979,164, or \$8.27 on each of 953,928 common shares.

This compared with sales for the 24 weeks ended June 18, 1956, of \$50,919,423 and net income for that period of \$3,542,133, or \$3.71 a share, adjusted to reflect the three-for-one stock split of January 4, 1957.

The company had earlier reported sales for the quarter ended March 31, 1957, reached \$32,405,892 against \$23,464,769 in the corresponding 1956 interval, while net income in the 1957 first period at \$3,365,498, or \$3.53 a share, compared with \$1,381,841, or \$1.43 a share a year earlier. Subtraction of first-quarter figures from the 24-week totals gives indicated 1957 second period sales of \$29,281,577 and net income of \$2,612,666, or \$2.74 a share, against sales of \$27,454,654 and net of \$2,180,492, or \$2.28 a share, in the corresponding year-ago period.

President Charles Lukens Huston, Jr., said the firm operated its steel-making facilities at capacity through the first half year. He added there is a continuing strong demand for Lukens' heavy carbon and alloy plates.

"Due to a slight change in product mix, there has been a small decrease in sales volume from the record levels established during the early months of 1957," Mr. Huston added. "But ingot production is expected to remain near capacity levels for the remainder of the year."

LUKENS STEEL CO. reports for the 24 weeks ended June 15:

34 wks end
June 15 '57 34 wks end
June 18 '56
Net sales \$61,687,489 \$50,919,423
Net before income taxes 13,273,764 7,821,323
Federal state income taxes 5,979,164 3,542,133
Common shares 953,928 317,976
*Based in both periods on 953,928 common shares now outstanding.

For the 12 weeks ended March 31, last, Lukens Steel reported net income of \$3,365,498, equal to \$3.53 a share on 953,928 shares, compared with net income of \$1,381,841, or \$1.43 a share on a like number of shares, in the similar 1956 period.

Canadian National Road
To Lay Off About 600,
Blames Traffic Decline

MONTREAL—Canadian National Railways plans to lay off about 600 men across Canada, a spokesman said, attributing the action to a 12% decrease in rail traffic.

Some 300 men will be laid off at Montreal shops Friday. Shops at Moncton, New Brunswick; Winnipeg; Calder, Saskatchewan; and Port Mann, British Columbia, also will be affected.

The layoff is a normal process dictated by the demands of the company, the spokesman said. It is conducted on the basis of seniority, he added.

Financing Business

Michigan Utility Plans to Market \$70 Million Issues

Consumers Power Co. Would
Limit Its Borrowing Costs
To 5½%, Application Says

Funds to Go for Construction

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Consumers Power Co. plans to issue \$70 million of bonds and convertible debentures.

The utility applied to the Michigan Public Service Commission for permission to issue \$35 million first mortgage bonds, due 1987, and \$35,156,700 convertible debentures maturing in 1972.

The application proposed limits on the cost of the borrowing. The bonds would be sold in competitive bidding at a cost to the company not to exceed 5½%, and the debentures would be offered at an interest rate and subscription price not less favorable to the company than 5½%.

Debentures would be offered to stockholders on the basis of \$100 principal amount of debentures per 25 shares. Conversion price is expected to range between current market price at the time of determination and a \$5 per share premium above that price. The company would invite bids for underwriting the issue.

Proceeds of both issues will go toward the firm's 1957 construction and improvement program, which is expected to require \$85 million. A still larger outlay is foreseen in 1958.

Consumers Power last went to the bond market in August, 1956, when \$40 million of bonds were sold at interest cost of 3.986%.

Wisconsin Telephone Gets 4.47% Interest Cost On Debenture Issue

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Wisconsin Telephone Co. obtained a 4.47% net interest cost in selling its \$30 million block of 35-year debentures.

That rate is significantly lower than the 4.91% Southern Bell Telephone & Telegraph Co., a sister company, is paying for the \$70 million it raised June 18 through sale of similarly-rated 29-year 5s.

The Southern Bell financing, it is recalled, was the costliest by that company since October 18, 1929. It also ranked as the most expensive bond borrowing by any Bell System unit since January 13, 1930.

Yesterday's issue by Wisconsin Telephone went to underwriters led by Halsey, Stuart & Co., Inc., on their bid of 100.811 for a 4½% coupon.

For Distribution Today
Following compliance with Securities and Exchange Commission requirements, the group is putting the securities out for general distribution today at 101.25, to yield 4.43% to maturity on July 1, 1992.

Indications of retail interest in the issue at that price were described as "only fair."

The lower borrowing cost for Wisconsin Telephone by comparison to Southern Bell was cited by investment bankers as a rough measure of the bond market improvement since June 18.

Both issues stand at the top of the investment rating scale. But the Wisconsin Telephone 4½s still are regarded as having a marketing edge over the Southern Bell 5s, since yesterday's issue marked the first debt offering by the Wisconsin utility.

Redemption Price Raised

Wisconsin Telephone "sweetened" its issue shortly before the offering by raising the redemption price of the debentures to 110 for the first five years. The Southern Bell 5s are non-callable for the first five years.

Wisconsin Telephone received two other bids for its \$30 million of debentures, as follows:

First Boston Corp., 100.17 for 4½s, and Morgan Stanley & Co., 101.5226 for 4½s.

The Milwaukee-based communications unit—wholly-owned subsidiary of A.T. & T.—said it will use the proceeds from the new 4½s for expansion and improvement of telephone service in Wisconsin."

Pacific Power & Light Offering to Holders Priced at \$28 a Share

By a WALL STREET JOURNAL Staff Reporter
PORTLAND, Ore.—Pacific Power & Light Co.'s right offering of 376,600 shares (\$10,544,800) of common stock to holders of record July 10 at \$28 a share was announced by Paul B. McKee, president.

Stockholders would be entitled to purchase one new share for each 10 held. Warrants are scheduled for mailing July 12; they will expire August 1.

Competitive bids for underwriting of unsubscribed shares will be received in New York 11 a.m., July 10. Proceeds of the sale will be used in the firm's \$36,412,000 1987 construction program.

Central Illinois Light Sells \$15 Million Bonds At Rate of 4.62%

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Central Illinois Light Co. awarded its \$15 million block of first mortgage bonds to underwriters led by First Boston Corp.

The group's successful bid—100.03 on a 4½% coupon—gave the utility a borrowing cost of 4.62%.

Other bids for the 30-year securities as 4½% came from: Halsey, Stuart & Co., Inc., 99.454; Eastman Dillon, Union Securities & Co., 99.157; and Merrill Lynch, Pierce, Fenner & Beane and Stone & Webster Securities Corp., jointly, 98.902.

The layoff is a normal process dictated by the demands of the company, the spokesman said. It is conducted on the basis of seniority, he added.

Emerson Electric Debenture Offer Is Made to Holders

NEW YORK—Emerson Electric Manufacturing Co. stockholders may subscribe at par to a \$3,390,000 issue of 5½% convertible sub-

ordinated debentures, on the basis of \$100 principal amount of debentures per 20 shares held of record July 9. Rights to the debentures, which are due July 15, 1977, expire July 23.

The debentures will be convertible into Emerson common at \$31 principal amount per

share. A sinking fund, designed to retire about 63% of the issue before maturity starts in 1982. Underwriters for the offering are headed by Smith, Barney & Co., Van Alstyne, Noel & Co., and Newhard, Cook & Co.

This is not an offer of these securities for sale. The offer is made only by the Prospectus.

NEW ISSUE

\$30,000,000

The WASHINGTON WATER POWER COMPANY

First Mortgage Bonds, 4½% Series due 1987

Dated July 1, 1957

Due July 1, 1987

Price 100% and accrued interest

Copies of the Prospectus may be obtained only from such of the underwriters, including the undersigned, as may lawfully offer these securities in this State.

Kidder, Peabody & Co.

Blyth & Co., Inc.

White, Weld & Co.

The First Boston Corporation

Eastman Dillon, Union Securities & Co.

Glore, Forgan & Co.

Goldman, Sachs & Co.

Harriman Ripley & Co.

Lazard Frères & Co.

Lehman Brothers

Merrill Lynch, Pierce, Fenner & Beane

Salomon Bros. & Hutzler

Smith, Barney & Co.

Stone & Webster Securities Corporation

Dean Witter & Co.

July 10, 1957

This announcement is not an offer of securities for sale or a solicitation of an offer to buy securities.

The offering is made only by the Prospectus.

NEW ISSUE

\$20,000,000

Associates Investment Company

5¾% Subordinated Debentures

Dated June 1, 1957

Due June 1, 1977

Offering price 100% and accrued interest

Copies of the Prospectus may be obtained from such of the undersigned as may lawfully offer these securities in this State.

SALOMON BROS. & HUTZLER

LEHMAN BROTHERS

BLYTH & CO., INC.

DREXEL & CO.

EASTMAN DILLON, UNION SECURITIES & CO.

HARRIMAN RIPLEY & CO.

LADBURY, THALMANN & CO.

LAZARD FRÈRES & CO.

F. S. MOSELEY & CO.

STONE & WEBSTER SECURITIES CORPORATION

WHITE, WELD & CO.

WERTHEIM & CO.

July 10, 1957

This is under no circumstances to be construed as an offering of these securities for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such securities.

The offer is made only by means of the Prospectus.

\$3,390,000

The Emerson Electric Manufacturing Company

5½% Convertible Subordinated Debentures

Dated July 15, 1957

Due July 15, 1977

Convertible into Common Stock at \$31 per share

The Company is offering these Debentures for subscription to the holders of its Common Stock, to whom Subscription Warrants are being issued as more fully set forth in the Prospectus. The Warrants will expire at 3:30 P.M., New York City Time, on July 23, 1957.

Subscription Price 100%

Copies of the Prospectus may be obtained from only such of the undersigned as are registered dealers in securities in this State.

Smith, Barney & Co.

Van Alstyne, Noel & Co.

Newhard, Cook & Co.

July 10, 1957

Commodities

Price Trends of Tomorrow's Meals and Manufactures

Grain Future Prices Cut by Profit-Taking; World Sugar Declines; Eggs, Rubber Rise

Commodity prices were irregular yesterday, but dealings were active.

Grain traders evened up accounts prior to publication of the Government's July 1 general crop estimate which will be issued this afternoon. Wheat futures finished 1/4 cent a bushel lower to 1/4 cent higher. Soybeans closed 2% to 1/2 cents higher. Early in the session prices for all grains were higher, but towards the close profit-taking made its appearance and dropped prices. Crop and weather reports remained favorable and receipts of new wheat were large. Some selling in grains and cotton was also attributed to news that the House had approved one-year extension of the soil bank with a proviso limiting payments to any one farmer. Cotton at New York closed 80 cents a bushel lower to 15 cents a bushel higher.

Prices for rubber at London and Singapore caused buying at New York where futures advanced 15 to 30 points.

Egg futures at Chicago were also firm. Final prices were up 30 to 45 points. News of large withdrawal of eggs from storage and firm prices paid for top quality cash eggs brought buying into the futures market.

World sugar futures at New York fell 4 to 18 points on profit-taking, while continued quiet conditions in the domestic raw market caused this futures contract to dip one point.

Irregular

Wheat—Off 1/4 to up 1/4 cent a bushel at Chicago. Minneapolis was up 1/4 to 1/2 cents, with Kansas City unchanged to up 1 cent.

Eggs—Off 1/4 to up 3 cents a bushel at Chicago. Winnipeg was up 2% to 3 cents.

Soybean Oil—Off 3 to up 10 points at Chicago.

Hides—Off 4 to up 25 points at New York.

Cotton—Off 16 to up 3 points at New York. New Orleans was off 3 to 10 points.

Lower

Corn—Unchanged to off 1/2 cents a bushel at Chicago.

Commodity Indexes

Dow-Jones Futures—Tuesday 161.11, off 0.59; last year 155.85.

Dow-Jones Spot—164.91, up 0.16; last year 163.46.

Date Open 11 12 1 2 Close Chgs. July 9 161.86 161.48 161.80 161.75 161.11 - .59 161.07 161.31 161.75 161.76 161.95 161.70 - .37

Cocao—Off 55 to 85 points at New York.

Sugar—World contract off 4 to 16 points; domestic contract was off 1 point.

Wool—Unchanged to off 6 points at New York.

Zinc—Off 10 points at New York.

Potatoes—Unchanged to off 1 cent per 100 pounds at New York.

Onions—Unchanged to off 3 cents per 50 pounds at Chicago.

Higher

Rubber—Up 15 to 30 points at New York. London was up 29 points, Singapore up 30 to 33 points.

Cottonseed Oil—Up 4 to 12 points at New York.

Lead—Up 10 to 15 points at New York.

Eggs—Up 30 to 45 points at Chicago.

Lard—Up 3 to 17 points at Chicago.

Soybeans—Up 1/4 to 1/2 cents a bushel at Chicago.

Flaxseed—Up 4% to 7/4 cents a bushel at Winnipeg. Minneapolis was up 2 to 4 cents.

• • •

GRAIN MARKETS CLOSED MIXED after a session of active trading. Markets started steady but shortly thereafter general buying was encountered and this swept prices sharply higher. Flour mills bought wheat with purchases of the bread cereal also based on reports of disappointing yields of winter wheat.

Traders said that farm selling of all grains remained light and this contributed to the rise.

The mill buying of wheat was associated with small sales of hard wheat flour to bakers and also in anticipation of larger sales in the near future. Mills, however, sold a large amount of

specialty flour "cake" to bakers. The extreme advance attracted some profit-taking. This was the second day for rising prices. Some of the late selling also was due to desire to lighten holdings pending publication of the Government's July 1 crop report after the close of trading today. In the export market, Denmark bought 5,000 tons of United States soybeans. Poland bought 350,000 bushels of U. S. wheat.

• • •

COTTON EASED in slow dealings yesterday. Final prices were 15 cents a bale higher to 80 cents a bale lower with only old crop July showing a gain. Favorable private reports on weather in the cotton belt induced some commission house selling but declines in the 1957 crop deliveries were checked by trade buying. The 1958 crop trading months were off about \$1 a bale during the afternoon before a mild rally developed on professional short-covering. The dip in the 1958 crop positions was partly influenced by news that the House had approved the Senate-House conference version of the soil bank program extension including a limitation of \$3,000 in payments to any one farmer. Traders thought this restriction would weaken the effectiveness of the program in 1958. Uncertainty over the size of the 1957 cotton crop and a tendency among traders to take profits following recent market advances into new seasonal high ground were also unsettling factors. A leading spot firm sold a total of 6,000 bales in various trading months. The Government weekly weather report on cotton was mixed. The report noted that rains early in the week hampered boll weevil control in parts of the central and eastern belts. Otherwise, fair, sunny weather stimulated cotton development and favored insect

control. The report commented that rains were now wanted in most sections of Texas and parts of Oklahoma to strengthen late or replanted cotton which has not yet been able to extend its roots down into an ample subsoil moisture supply. The report added that due to recent flood conditions some cotton land in the southern part of Missouri may be left idle.

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Rubber Markets Steady

LONDON—Rubber futures closed very steady, September 27 1/2 pence, up 1/4 from Monday's close (American equivalent, \$2.80 for sterling, 32.06 cents). October-December 27%, up 1/4 (32.21). January-March 27 1/2, up 1/4 (32.06). April-June 27 1/4, up 1/4 (31.77).

Singapore futures closed quiet and July 10 Straits cents per pound, was 92% up 1/4 (30.92) and August 93 1/2 up 1/4 (31.17).

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City Products Unit Expands

CHICAGO—City Products Corp. completed a \$1,500,000 expansion at the Longview, Texas, refinery of its wholly-owned subsidiary, Premier Oil Refining Co. W. J. Sinek, chairman, and A. R. Carlson, president, said. The program involved construction of platformer and unifier units for upgrading gasoline and improvements to existing facilities.

• • •

London Metal Market

LONDON—The following quotations are in pounds sterling per long ton on the London Metal Exchange.

	Tuesday	Wednesday
	Bid Asked	Bid Asked
Copper Spot	221 1/2 221 1/2	221 1/2 221 1/2
Iron Spot	737 738	738 737
Forward	735 736	737 737
Lead Spot	91 1/2 91 1/2	91 1/2 91 1/2
Forward	91 1/2 91 1/2	91 1/2 91 1/2
Zinc Spot	76 77	77 77 1/2
Forward	74 1/2 75	75 75 1/2

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London Gold

LONDON—The gold price was 250s 8d vs. 250s 8d.

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Mutton Chops • Soft Skinned Crabs
KITCHEN OPEN TILL 7:30 P.M. CLOSED SAT.

N. Y. Stock Exchange**Closing Bid and Asked Prices of Stocks Not Traded****Bid Asked****Bid Asked**

AMERICAN STOCK EXCHANGE
MOST ACTIVE STOCKS

Five Domestic Stocks:	Volume	Close	Chgs.
Skiatron	30,800	81 1/2	+ 1/2
Mich. Chem.	21,700	28 1/2	+ 4/5
Crown Col.	19,000	108 1/2	+ 1/2
Co. East Av.	18,300	3	+ 1/2
Std. Pack	17,000	125 1/2	+ 5/8

Five Foreign Stocks:

Canso Nat. Gas	23,600	29 1/2	- 3/8
Can So. Gas	10,000	100 1/2	+ 1/2
Can Pet. Ltd.	16,800	34 1/2	+ 2/5
Panocast Pet.	16,000	111 1/2	+ 5/8
Scoury Rain	16,000	37 1/2	+ 1/2

American Stock Exchange Transactions

Tuesday, July 9, 1957

VOLUME, 900,000 SHARES

SINCE JANUARY 1

Total sales 1957 1956 1955

New highs, 1957 1956 1955

New lows, 1957 1956 1955

117,063,467 124,976,727 133,395,068

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GE Loses Bid to Bar Ads Offering Its Goods Below 'Fair Trade' Prices

Justice Harlan Rejects Request For Injunction Against Masters' Mail Order Unit

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Supreme Court Justice John Marshall Harlan refused to prohibit Masters Mail Order Co. from advertising General Electric Co. products in New York at less than "fair trade" prices.

The injunction was sought by General Electric, which has already asked the High Court to take a look at its legal battle with the Washington, D. C. mail order house.

A U. S. court of appeals in May dismissed G.E.'s "fair trade" suit against the mail order concern, a subsidiary of Masters, Inc., a New York City discount house. The court said that since the nation's capital has no "fair trade" law, the mail order house can sell goods in New York below "fair trade" prices, even though that state has a resale price maintenance law.

General Electric claims Masters' New York store would tell customers that it could buy by mail order the G.E. products the store could not sell at a discount.

Justice Harlan turned down G.E.'s re-

quest to ban Masters' discount mail order sales of G.E. products in New York. But he said the appliance maker can make a new request for an injunction this fall, if the High Court votes to consider the Masters-G.E. dispute.

Justice Harlan's decision was the latest development in the fight between G.E. and Masters which began last October.

At that time a Federal District Court in New York enjoined the mail order unit from advertising or offering for sale in New York G.E. "fair traded" products at less than the prices set by the appliance company.

Masters appealed this decision and the court of appeals reversed the lower court and dismissed the complaint. G.E.'s position to the court of appeals to continue the injunction against Masters pending an appeal to the Supreme Court was also denied.

W. H. Shahoff, vice president of G.E.'s housewares and radio receiver division, last month gave some of G.E.'s reasons for the continued battle: Approximately 73% of its retail sales come from "fair trade" states; the vast majority of its distributors and dealers favor "fair trade," and, "We are convinced it is necessary to maintain an orderly market condition and fair prices in an industry such as the housewares industry" At present 14 states and the District of Columbia do not have "fair trade" prices.

Weeks Says Administration Won't Ease Its Ban on Red China Trade

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Commerce Secretary Weeks declared the Administration "will not gamble with national security" by removing the present total embargo on trade with Communist China.

He told the Senate Commerce Committee the Administration has stepped up its study of East-West trade since Britain's recent relaxation of controls on exports to Red China, but added:

"It is the foreign policy of this Government to maintain its own total embargo because the Communist China regime continues to constitute a serious threat to the security of the Far East, which directly affects the security of the United States."

Warning to Trade Advocates

Mr. Weeks' defense of Administration trade policies came amid growing demand by lawmakers, mostly Democrats, for the U. S. to follow Britain's lead and relax some of its controls against trade with Red China. The Commerce chief told the committee, "We warn those tempted by the illusion of lucrative trade with Communist China to take a long, hard look before they leap to conclusions." The trade statistics of the pre-control period do not

bear out hopes for a substantial market in China."

Mr. Weeks also said that although other countries have said they will follow England's example in loosening controls against trade with China, the Western allies are still united in curbing trade in strategic goods.

In other highlights of his testimony as the Commerce Committee opened a broad study of foreign trade, Mr. Weeks also said:

Japan will likely trade with China in textiles but present signs are that Japan would probably trade less with China than did Great Britain. Japan's voluntary agreement of last January to limit textile imports to this country, he said, was working well.

Trade With East Europe

Some increased U. S. trade in non-strategic goods with Soviet satellites in Eastern Europe would bolster "their spirit of independence" and thus outweigh any advantage that Russia might gain from such trade.

The recent change of government in Canada would not have much effect on U. S. trade with its northern neighbor. But Mr. Weeks noted newspaper accounts pointing to a reduction of trade between the two countries.

President Eisenhower's special committee looking into possible curtailment of oil imports, he hoped, would "certainly" be able to make its recommendations to the President before the end of this month.

The U. S. has increased its foreign trade more swiftly and substantially during the Eisenhower Administration than in any previous peacetime period. Mr. Weeks claimed, U. S. exports, he said, reached \$17.3 billion last year up from \$12.3 billion in 1953, while imports increased in the same span from \$10.9 billion to \$12.6 billion.

Smathers Opposes Views

Mr. Weeks' views on trade with Red China were endorsed by most Republicans at the hearing but opposed by Sen. Smathers (D. Fla.), acting as chairman of the committee on foreign trade study. Mr. Smathers asked the Commerce Secretary if he saw any less threat to this country's trading with the Soviet Union than with Red China.

Mr. Weeks said there was. Russia and her Eastern European satellites, he commented already have "some industrial set-up" and can build things that Communist China cannot. Trans-shipment of U. S. goods across Siberia to China is "a long trek," he also remarked.

Mr. Smathers insisted Soviet and Red Chinese leaders were equally "anti-American" and asked how a distinction could be drawn in trade with the two nations. To this, Mr. Weeks replied it was a matter of foreign policy the should be taken up with the State Department.

Swan-Finch to Allow Reinstated Director To Inspect Its Books

By a WALL STREET JOURNAL Staff Reporter

NEW YORK — Swan-Finch Oil Corp. consented yesterday in New York State Supreme Court to allow Ralph E. Damp, reinstated director, to inspect the company's books.

The company's consent to Mr. Damp's motion to inspect the books came after Mr. Damp, a former president of the company, had been deposed as a director May 18, and later reinstated. A by-law amendment of May 18, allowing the board members to fire Mr. Damp, has also been rescinded, a Swan-Finch spokesman said.

In another legal action, counsel for Joseph Weinstein, a Swan-Finch stockholder, brought a motion in the State Supreme Court to have Swan-Finch cited for contempt for allegedly refusing to comply fully with a court order to allow Mr. Weinstein to inspect the Swan-Finch books. Counsel for Mr. Weinstein said his client was unable to get sufficient information relating to Swan-Finch's holdings of stock of Doeskin Products, Inc., a subsidiary. The case was adjourned until July 18.

Swan-Finch is also the subject of a suit by a number of dissident stockholders who have moved to have the company placed in receivership. New York State Supreme Court Justice Owen McGovern has not yet rendered his decision in this case.

The company, primarily a compounding of lubricating oils and greases, consented during the spring to an injunction barring it from further sale of stock not registered with the Securities and Exchange Commission.

Harnischfeger Acquisition

MILWAUKEE — Harnischfeger Corp., through a wholly owned subsidiary, Harnischfeger Corp. of Canada, acquired a minority stock interest in Maritime Steel & Foundries, Ltd., New Glasgow, Nova Scotia. The interest was acquired for an undisclosed amount of cash and manufacturing rights for Harnischfeger products in Canada.

French to Shut Offices Of Western Union And American Cable

Concessions to Operate in France Will End Late Next Year, Companies Are Notified

By a WALL STREET JOURNAL Staff Reporter

NEW YORK — Western Union Telegraph Co. and the American Cable & Radio Corp., an affiliate of the International Telephone & Telegraph Co., have received letters from the French government informing them their concessions to handle trans-Atlantic cables in France will be terminated late next year.

The French action, as interpreted here, is aimed at closing up foreign cable offices in France, and putting the routine of accepting and delivering overseas messages under the government's Ministry of Posts, Telegraphs and Telephones. The cable companies would retain control of their overseas telegraph lines.

Ellery W. Stone, president of American Cable & Radio, said its subsidiary, Commercial Cable Co., "has received a letter of denunciation of its 1884 and 1923 concessions from the French government, effective September 1958. I am advised," he said, "that similar letters of denunciation have been sent to all other foreign carriers operating in France."

A top spokesman for Western Union said his company had received letter from the French government announcing plans to end its office concessions in France, but added that such action no more than a "minute impact" on Western Union's cable business which totaled about \$14 million last year.

The French move, sources here indicated, would nationalize the American companies' facilities in France and end the present tough competition for cable business. One cable company official said it might lead the French government to allocate all cable traffic, and he added this might be accomplished by giving each concern a share of the outgoing French

cable business equal to the percentage of the total cable traffic they bring into the country.

John R. Lambert, acting chief of the Federal Communications Commission's Common Carrier Bureau in Washington said both the FCC and the State Department had advised of the French action, and indicated the FCC would call the two affected U. S. cable companies together to discuss how best to counter the French move.

Mr. Lambert said that historically, the U. S. is in a position to bargain with foreign governments on matters of this kind. The privately owned French Cable Co. has three lines running from France to the U. S. and could be a factor in any such talks, although Mr. Lambert said "no plans for such action are afoot at this time."

Warner Bros. Plans \$15 Million TV Films Program for Next Year

By a WALL STREET JOURNAL Staff Reporter

NEW YORK — Warner Bros. Pictures, Inc., announced a \$15 million television films production program for the coming year and a \$1 million building program for TV facilities.

The production program, which will represent an increase of approximately \$10 million over last year, will include the filming of four one-hour programs for the American Broadcasting Co. TV network. The announcement said filming for the shows to be broadcast in the fall will begin immediately.

Jack L. Warner, president, said remodeling of three sound movie stages at Burbank, Calif., was completed last week to handle the filming.

Mr. Warner said that construction on the new TV building will begin immediately. The two-story building will contain 26 office suites containing 130 individual offices, 26 film editing rooms and four projection rooms. Further building is planned, Mr. Warner said, but did not elaborate.

Under a recently completed contract with the Bell Telephone System, Warner Bros. will also produce a series of four one-hour color films on science for television and schools.

N. Y. City Awards Tax Notes

NEW YORK — New York City awarded \$45 million of tax anticipation notes to 20 banks and trust companies. Lawrence E. Gerosa, comptroller, announced.

The issue consisted of \$25 million of 3%

notes, dated July 10 and due October 24, and \$20 million of 3% notes, dated July 17 and maturing October 26.

The largest blocks of the notes were allocated to Chase Manhattan Bank, \$9,977,000, and First National City Bank of New York, \$9,463,000.

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